



**Brighton & Hove
City Council**

**Report of the
Overview and Scrutiny Panel**

July 2012

Support for the Retail Sector

Panel Members

**Councillor Gill Mitchell (Chair)
Councillor Phelim Mac Cafferty
Councillor Carol Theobald**

Chair's Foreword

This has been a fulfilling and informative scrutiny panel which it has been my privilege to chair. I think that as a panel we have gained a good all-round understanding of the issues facing our city's retailers.

Brighton & Hove has a unique retail market with large numbers of independent traders contributing to the city's reputation as a major tourist destination. It is important to protect and support these independents to secure their, and the city's, economic viability.

We were privileged as a panel to hear from a number of retailers and sector representatives who spoke passionately about their experiences, and came forward not only with their challenges but an array of solutions and ideas.

It was evident from the first public meeting that the most common issue retailers sought to raise was that of parking charges. Other issues raised included business rates, street markets and a city centre strategy.

I feel that this panel captured the voice of our city's retailers, whilst providing the council and partners the opportunity to respond to retailers' concerns.

This was the first time that a scrutiny panel have used "live chat" social media to encourage retailers to put their thoughts into a forum that others could comment on and join in with. It was interesting to see a dialogue forming. Other forms of social media, such as twitter and facebook were used to promote the panel and encourage retailers and experts to come and speak.

I would like to finish by expressing my gratitude to the other members of the Panel: Councillors Phelim Mac Cafferty and Carol Theobald. I know that the Panel were most grateful for the time of all the people who came and gave evidence including independent retailers, traders' association representatives, the Chief Executive of the Business Forum, the BID Manager, FSB Development Manager, Metamorphosis, former City Centre Manager, Graves Jenkins and Tesco's.



Councillor Gill Mitchell,
Chair of the Support for the Retail Sector Scrutiny Panel

Table of Contents

Executive Summary	page 3
List of Recommendations	page 7
1. Introduction	page 10
2. Brighton & Hove Retail in Statistics	page 16
Findings and Recommendations	
3. Parking and Park & Ride	page 19
4. Rent and Business Rates	page 30
5. Signage & the Station Gateway	page 37
6. Coordination, Strategy and Communication with the Council	page 40
7. Traders Associations and the BID	page 45
8. Larger Multiples	page 48
9. Planning	page 52
10. Street Markets	page 56
11. Marketing our Retail Offer	page 60
12. Retail Quarters	page 64
13. On-line Retail	page 66
14. “Chuggers”	page 69
15. Conclusion	page 70
Appendices (Volume Two)	
• Minutes of public meetings	
• Live Chat Submissions and Written Submissions	

Executive Summary

- I. Brighton and Hove's retail sector is worth £307 million per annum to the local economy.¹ The city's independent shops account for 70% of the city's total retail portfolio.
- II. The economic downturn has led to a large turnover of retail businesses with well known retailers such as Woolworths, Habitat and Borders all closing. In addition to this on-line shopping is enjoying an ever greater market share as lower overheads create price competition.
- III. The city compares well on vacancy rates of retail premises, with the national figure at 14.3%, compared to just 6% for Brighton (January 2012) and 3.9% for Hove (August 2011).² Preston Street, Lewes Road, London Road and North Street are the main vacancy hotspots in the city.
- IV. This scrutiny panel was established to progress issues raised by the 'Streets Ahead' event in 2011. The panel consisted of councillors Gill Mitchell (Chair), Phelim Mac Cafferty and Carol Theobald and the key aim was to look at ways of supporting the city's independent retailers.
- V. The objectives of the panel came from issues raised at the Streets Ahead event, namely:
 - How can Brighton & Hove's unique retail offer be supported and the impact of high inflation and the economic downturn be mitigated?
 - How can the independent retail sector and multiple, or larger, chains work in partnership to help sustain the viability of the retail sector?
 - What marketing and promotion would benefit the city's retail sector?
 - How can retailers, landlords, prospective developers and agents develop the city's retail sector?
 - How can regulations and advice regarding the retail sector be utilised and accessed more by retailers?
 - How could street markets have a more positive impact on retailers?
- VI. Publicity for the panel included a press release which was e-mailed to the Business Improvement District (BID), Chamber of Commerce, Business Forum and the Federation of Small Businesses for circulation to city retailers. It was also publicised in The Argus, on the council's facebook page, website and, with the hashtag #BHRetailScrutiny, on twitter. Retailers and experts on the retail sector were invited to speak, or submit information, to the panel. Three public meetings were held on

¹ Experian's modelled GVA (Gross Value Added) for Brighton & Hove in 2010

² CE, Business Forum - 6/3/2012 Agenda

27 February, 01 March & 06 March 2012 and there were additionally two private meetings. A live chat social media forum was also used to encourage retailers and others to put their views on-line.

- VII. The panel heard from 17 witnesses at the public and private meetings. There were 20 on-line submissions on live chat, 8 e-mails and 17 tweets. Common issues emerged including: the increase in parking charges, the challenging business rates and rents, street markets, the need for a town centre strategy and town centre manager support, and more flexibility with planning regulations regarding the introduction of retail quarters.
- VIII. The Portas Review – This independent review into the future of high streets was published in December 2011. It made 28 recommendations which varied from putting into place “Town Teams”, empowering BID’s to become “Super BID’s; “National Market Day”; making it easier to change the use of key properties on the high street; encouraging large retailers to support and mentor independent retailers; and exploring disincentives to prevent landlords from leaving units vacant. References have been made to the Portas Review within this report.
- IX. After assessing all the evidence the panel agreed 14 recommendations. A summary of the evidence is set out below.
- X. At the heart of many of the issues explored in this report is an unresolved debate as to how far the council should seek to directly support different business sectors. Many of the challenges identified by retailers require some form of support and/or coordination which would require resourcing.
- XI. A number of the Panel’s recommendations relate to issues already being taken forward through substantial pieces of work, for example the Station Gateway Project and the City Plan. Where this is the case evidence heard by the Panel will be submitted to these workstreams.

Parking

- XII. The most pressing issue heard by the panel was the recent increase in parking charges affecting both traders and shoppers. Retailers were concerned that it could drive potential customers away from the city. Special parking offers were suggested by retailers to help attract shoppers to areas such as Hove and Portland Road. The council said that the changes to parking charges were designed to tackle the city’s high pollution levels, manage parking demand, cut down on traffic volume and encourage residents and visitors to consider more sustainable transport options such as walking, cycling and public transport. Recent government research has shown that people base their choice on shopping venues on a variety of factors, not just parking prices.

Park & Ride

- XIII. Some witnesses believed that a park and ride would attract shoppers and visitors as they could avoid queues into the city, stay longer and spend more as it was a cheaper parking option for car users. The council had assessed the feasibility of park and ride and concluded that there are more beneficial and cost effective alternatives that would tackle congestion. The Local Transport Plan seeks to address transport issues including congestion.

Rent and Business Rates

- XIV. Also regularly raised by retailers was the issue of business rates and rents. Retailers spoke about challenging rent review meetings with landlords and asked for support and guidance. Retailers felt that landlords should offer reduced rents during the recession or monthly/weekly rental arrangements. Independents, or multiples, opening in an area could set a precedent on increasing rents which retailers found equally difficult to negotiate against. There was also the need to encourage landlords to fill empty premises by offering more short term leases for introductory businesses e.g. pop-up shops. The council submitted evidence of good practice with their commercial agents, such as offering flexible rent plans to their tenants, which should also be promoted with city landlords. The council has an exemplary occupancy premises rate of 100%.

Signage and the Station Gateway

- XV. 15 million rail passengers used Brighton Station in 2010/11, (up a significant 28% on 2004/5).³ The panel heard how the entrance into the city from the station was not welcoming and needed improving. Visitors were directed to the seafront via Queens Road, rather than taking them through to the retail attractions of the North Laine which is just a stone's throw from the station. Directional signage was also required to attract customers to other areas of the city. The need to have a tourist information kiosk to advise visitors of the city's numerous attractions was also a priority. The council is currently undertaking a major piece of work to improve the station gateway, and comments from this panel will be fed into this process.

Coordination, Strategy and Communication with the Council

- XVI. Throughout the evidence gathering sessions the panel heard how retailers needed support and advice on running their business. Retailers spoke about the need for a single point of contact, such as a Town Centre Manager type role and a Citywide Retail Strategy to support and protect the longevity of the city's independent retailers. Further work would need to be carried out on how best to proceed with this.

³ Source National Rail Enquiries

Trading Associations and the Business Improvement District (BID)

XVII. Retailers spoke to the panel about the power of working together in either trading associations – e.g. North Laine Traders’ Association and the Hove Business Partnership - or less formal street group arrangements - e.g. Sydney Street or other organisations, like the Federation for Small Businesses. The success of the BID was strongly evident as was the potential to expand its area to Queen’s Road and St. James’s Street. The panel heard that these groups successfully managed to:

- procure discounted utilities contracts,
- dress their retail areas to attract customers
- provide training on business planning and budgetary skills.

Retailers who were currently not part of such organisations were generally keen to join such associations, or start one, and were looking to the council to support them in doing so.

Multiples

XVIII. Representatives from Tesco’s gave evidence privately to the panel. Much concern had been raised by witnesses that ‘multiples’ (i.e. chain stores) were taking over high streets, causing them to lose their character. The planning service informed the panel how they had to remain neutral when applications were made; the council does not have the authority to reject a multiple requesting to take over an empty property. The panel were interested in the community engagement work carried out by multiples. Tesco’s said that their company policy was to support independents with promotions and marketing, setting up traders’ associations and keeping the environment attractive. Independents could approach multiples for such support.

Planning

XIX. A commercial agent spoke about how they felt that the planning process was too lengthy for properties that needed to change the class use of a property – e.g. so that multiple businesses could take over one premises. This process typically took three months, which was deemed too long. The council’s planning service stated that their processes were timely and met regulatory deadlines. The panel agreed to recommend that the new Localism Bill should be used to promote more flexible and responsive timescales for retailers.

Street Markets

XX. Street markets were seen as a “marmite” topic. Some retailers and experts had encouraged or requested them, whilst others had experienced stallholders selling the same products at cheaper prices than neighbouring retailers. Market stalls were seen as beneficial for new retailers to sell and trial their products. It was agreed by all witnesses and the panel that markets needed tight management regulations as the council did not have the authority to regulate the types of goods sold.

Marketing

- XXI. Traders felt that the promotion of independent retailers was poor in comparison to other city attractions. Feedback was heard that some information was out of date and that the preference was to market the website's main fundraisers. VisitBrighton is the official website for promoting the city. VisitBrighton expressed its belief that retailers were well represented throughout the website and that retailers needed to feedback inaccurate information to the website. Additionally, the marketing of the fundraisers of the website was deemed to be fair and that the retail sector was strongly promoted on the website.

Retail Quarters

- XXII. The promotion of retail quarters⁴ was a hot topic. Independents felt that the city needed more retail quarters to attract visitors to other secondary/ tertiary areas⁵ of the city retail sector e.g. Portland Road.

On- line Retail

- XXIII. 14% of all purchases are now made through internet shopping. On-line sales can compensate for decreasing city centre footfall.⁶ Independents must consider having an on-line presence. However it was uncertain as to where support could come from. Research has shown that staff skills could be untapped and that there may be the potential within current workforces to develop webpages and other IT opportunities if retail staff already have the skills to do so.

- XXIV. The panel agreed on 14 recommendations which are set out below.

List of Recommendations

1. The Council needs to demonstrate that the impact of increased parking charges on the retail sector has been researched and understood prior to changes being introduced. This research and the rationale behind any changes to policy should be published.
2. The Council should increase the flexibility of its approach to parking, utilising special offers and targeted support through parking regulations to promote specific retail areas.
3. There was support evident for a Park and Ride scheme to help tackle traffic congestion. In developing the City Plan evidence presented to the Scrutiny Panel should be taken into consideration when considering a Park and Ride.
4. Flexibility on the part of landlords with regard to rent levels, short-term leases, allowing pop-up shops and individual rent plans can have

⁴ District shopping areas, well established areas were the Lanes, North Laine and Kemptown

⁵ Outside the city centre area e.g. Hove, Portland Road

⁶ CE, Business Forum - Agenda 6/3/2012

considerable benefits. The council as landlord offers flexibility for its leaseholders; it should seek to promote this best practice to other landlords.

5. Ideas for improving the signing, information and flows of pedestrians heard by the panel should be taken forward as part of the station gateway project, most notably:
 - Clear direction to North Laine from the station
 - A tourist information kiosk on the station
 - Better sign-posting towards retail areas
6. Resources need to be found to provide coordinated support and advice for retailers; this should build upon the work of the current BID and responsibility for developing and implementing a Citywide Retail Strategy; consideration needs to be given as to how best to undertake this in conjunction with contributions from retailers themselves.
7. The role of Traders Associations and the BID in supporting and securing benefits for their members are very evident; the Council should work with and support such groups. The council should be in touch with large stores, reminding them of opportunities for their increased support to independents across the city.
8. Ways for improving communication with retailers need to be developed; this could include a single council contact point for retailers that allows retailers to access all the information and support they require such as rent reviews, trading standards, etc
9. Larger multiples should be invited to join local traders' associations and support other local retailers with training, for example marketing, age-restricted sales, etc.
10. The Council should explore planning options to exploit new 'localism' powers to support retailers through increased flexibility and responsiveness.
11. Street markets should be developed only where they are supported by a majority of local retailers. Street trading controls cannot regulate the goods for sale so great care must be given to decisions permitting new street markets. Existing retailers need to be protected from stalls obstructing shop entrances. The Council should lobby government for increased powers to regulate street markets.
12. The marketing of Brighton and Hove needs to ensure that it makes the most of its retail offer. Retailers felt that they were often the poor relation on many marketing campaigns.
13. The benefits of retail quarters should be investigated further as a means for promoting different areas of the city and providing them with additional support.

14. The need for an on-line presence for independent retailers is clear; support is needed to ensure that the capacity to develop this exists.

1. Introduction

- 1.1 Retail plays a very significant role in Brighton & Hove, earning around £307 million per annum for the local economy.⁷ In addition to having a relatively large retail sector, the city is unusual in having a plethora of independent shops, with around 70% of city centre retailers being independent traders.⁸ As well as contributing a significant amount directly to the Brighton & Hove's economy and providing vital employment to local people, the independent retail sector is an integral part of the city's image as a unique place – an image that plays an important role in our success as a tourist destination, conference centre, site for business set-up and relocation, a favoured locale for people seeking to study at universities, colleges and language schools, and, generally, as a place that people want to live and work in.
- 1.2 The city's iconic independent shopping districts are found between Brighton station and the seafront in North Laine and Duke's Lanes/Old Town. But there are important retail areas throughout the city: Churchill Square and Western Road, Brighton Marina, London Road, central Hove, Portslade, Kemptown and many other smaller groups of shops which provide vital support and employment to local communities.
- 1.3 The council's City Plan is the key planning document which sets out the strategic vision for the city to 2030. The Plan identifies a hierarchy of shopping centres as the city's retail provision.⁹ This is set out below from the regional centre to local centres. Within this report there is reference to the City Plan especially in connection with the expansion of Churchill Square, the Station Gateway project and also public spaces.

Centre Definition	Defined Centres
Regional Centre	Brighton
Town Centres	Hove London Road
District Centres	St James's Street Lewes Road Boundary Road/Station Road District Centres Brighton Marina
Local Centres	Mill Lane, Portslade Portland Road, Hove 'The Grenadier', Hangleton Road Richardson Road, Hove

⁷ Experian's modelled GVA (Gross Value Added) for Brighton & Hove in 2010

⁸ Source: BID healthcheck Feb 2012

⁹ http://www.brighton-hove.gov.uk/downloads/bhcc/ldf/cp_Draft_City_Plan_FINAL_May_2012.pdf

	<p>Eldred Avenue, Withdean Old London Road, Patcham Ladies Mile Road, Patcham Seven Dials Fiveways Hollingbury Place, Hollingdean Beaconsfield Road, Preston Park St George's Road, Kemptown Warren Way, Woodingdean Whitehawk Road, Whitehawk High Street, Rottingdean Lustrell's Vale, Saltdean Longridge Avenue, Saltdean</p>
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- 1.4 Whilst the city's independent retail offer is a key dimension to the visitor economy, there are concerns that it is not being sufficiently nurtured and supported. Times are hard for retailers across the country. The financial crisis and subsequent economic downturn have impacted upon both consumer spending and the ability of many retailers to borrow money, leading to widespread business failure, including that of household names such as Woolworths, Habitat and Borders.
- 1.5 At the same time, the growth of the internet has seen a shift towards on-line spending, increasing pressure on high street shops, which have to compete on price with the likes of Amazon despite having additional overheads such as rents, business rates and utility charges.
- 1.6 Local authorities historically have had a key role to play in encouraging and supporting their local retail sectors, but this is becoming more fraught as pressures on council finances mean that money for non-statutory activities is severely limited. In addition, some of the funding routes that councils are increasingly obliged to rely on, such as increased parking charges, can run counter to the interests of retailers.
- 1.7 Nationally, the pressure on retailers has been recognised and a report on supporting retailers was commissioned from Mary Portas. The Portas Review recommendations are discussed later in this report.¹⁰
- 1.8 Locally, a good deal is being done both for and by local retailers. Notable initiatives and organisations include the Brighton Business Improvement District (BID), North Laine Traders' Association (NLTA), Hove Business Association, Chamber of Commerce, Federation of Small Businesses (FSB) and other similar organisations.
- 1.9 However, this is clearly an area in which more could be done. This scrutiny panel was established at the request of the council's administration to resume a conversation with city traders and other

¹⁰ <http://www.bis.gov.uk/assets/biscore/business-sectors/docs/p/11-1434-portas-review-future-of-high-streets.pdf>

stakeholders which had begun in the Streets Ahead event. (The event was held in 2011 and brought together local traders, large chains and council officers to look at how to support the city's retail offer). The panel's remit was to progress the issues raised during the event. A number of the issues raised at 'Streets Ahead' became areas of focus for the panel and these are referred to below (in paragraph 1.11).

The Panel

1.10 The scrutiny panel was chaired by Cllr Gill Mitchell, with Councillors Carol Theobald and Phelim McCafferty. The panel held three public evidence gathering sessions as well as various meetings in private, such as meetings to scope the panel process and agree recommendations and a meeting with representatives of Tesco and Graves Jenkins.

1.11 The panel focused on:

- How can Brighton & Hove's unique retail offer be supported and the impact of high inflation and the economic downturn be mitigated?
- How can the independent retail sector and 'multiples' or larger chains work in partnership to sustain the viability of the retail sector?
- What effective marketing and promotion would benefit the city's retail sector?
- How can retailers, landlords, prospective developers and agents develop the city's retail sector?
- How can regulations and advice regarding the retail sector be utilised and accessed by more retailers?
- How can street markets have a more positive impact on retailers?

Witnesses

1.12 The panel heard evidence from the following local retailers and retail experts, council officers, commercial agents and others in this order:

Name	Title	Service
Gavin Stewart	BID Manager	Brighton Business Improvement District (BID)
Alex Mojee Bell Emma Harley-Jones	Business Development Director Sales Director	The Red Bed Company, Portslade
Peter Allinson	Owner Vice Chair of NLTA	Temptation Café, Brighton & North Laine Traders Association (NLTA)
Martin Searle	Development Manager	Federation of Small Business (FSB)
Alan Moon Nigel Haigh	Owner Owner	Cocoon, George Street, Hove Willow, stores in Brighton & Hove
John Kean	Owner	Guaraná Co Ltd, Brighton
Soozie Campbell	Former Town Centre Manager	
Martin Randall	Head of Planning & Public	Brighton & Hove City Council

Jeanette Walsh Tim Nichols	Protection, Head of Development Control Head of Regulatory Services	
Martin Lawrence	Owner	TN Lawrence & Son, Hove
Tony Mernagh	Chief Executive	B&H Business Forum
Eve Reid	Director	Metamorphosis
Phil Graves	Director	Graves Jenkins (Commercial Agent)
James Wiggam Simon Petar	Regional Corporate Affairs Manager Corporate Affairs Manager	Tesco

Social media

1.14 The panel was keen to use social media to involve a wider group of respondents. One of the clear messages from our early scoping of this subject was that retailers whose businesses were outside the city traders' association zones, and who chose not to participate actively in representative groups, could feel ignored by the council.

1.15 The panel's work was advertised via Twitter and Facebook and a 'Live Chat' facility was set up to allow people to share their ideas for supporting city retailers. The recommendations in this report reflect both the verbal evidence gathered at meetings and submissions via the Live Chat, email, tweets to #BHRetailScrutiny, Brighton & Hove City Council's Facebook and Twitter accounts.

1.16 A summary of all evidence received can be found in Volume Two.

Fair Trade

1.17 The scrutiny panel did not have the time or resources to explore every aspect of retail in the city - for example the impact of the 'Fair Trade' campaign on city retail. However, panel members would like to stress that they support the Free Trade movement, which has a long association with the city, with Brighton & Hove one of the first urban areas to declare itself a 'free-trade city'. They believe that the health of our city depends on all sectors of retail flourishing. However, it is vital that Brighton & Hove continues to be seen as a unique destination; that our 'brand' is recognised both nationally and internationally. In recent years an increasingly important aspect of this brand has been the association of the city with ethical thinking and living, and Fair Trade has a significant role to play in maintaining this reputation for equity and fairness. The panel therefore commends the good work being done locally by the Fair Trade Working Group.

Traders' Associations and Retailers' Groups

1.18 The panel would also like to commend the excellent work undertaken by bodies supporting retailers across the city, most notably: the Hove Traders' Association, Hove Business Partnership, the North Laine Traders' Association, the Federation of Small Businesses, the

Chamber of Commerce and the Local Enterprise Partnership. These groups form the bedrock of support for retailers in Brighton & Hove.

Portas Review

- 1.19 Mary Portas, described as ‘the UK’s foremost authority on retail’, was asked by the government to undertake an independent review into the future of high street. The review reported in December 2011 and has many themes and recommendations that have provided a useful context to this report.
- 1.20 The recommendations of the Portas Review are set out below:
1. Put in place a “Town Team”: a visionary, strategic and strong operational management team for high streets
 2. Empower successful Business Improvement Districts to take on more responsibilities and powers and become “Super-BIDs”
 3. Legislate to allow landlords to become high street investors by contributing to their Business Improvement District
 4. Establish a new “National Market Day” where budding shopkeepers can try their hand at operating a low-cost retail business
 5. Make it easier for people to become market traders by removing unnecessary regulations so that anyone can trade on the high street unless there is a valid reason why not
 6. Government should consider whether business rates can better support small businesses and independent retailers
 7. Local authorities should use their new discretionary powers to give business rate concessions to new local businesses
 8. Make business rates work for business by reviewing the use of the Retail Price Index (RPI)¹¹ with a view to changing the calculation to Consumer Price Index (CPI)¹²
 9. Local areas should implement free controlled parking schemes that work for their town centres and we should have a new parking league table
 10. Town Teams should focus on making high streets accessible, attractive and safe
 11. Government should include high street deregulation as part of their ongoing work on freeing up red tape
 12. Address the restrictive aspects of the ‘Use Class’ system to make it easier to change the uses of key properties on the high street
 13. Put betting shops into a separate ‘Use Class’ of their own
 14. Make explicit a presumption in favour of town centre development in the wording of the National Planning Policy Framework
 15. Introduce Secretary of State “exceptional sign off” for all new out-of-town developments and require all large new developments to have an “affordable shops” quota

¹¹ Measure of inflation

¹² Source: http://www.ehow.co.uk/how_6534585_calculate-consumer-price-index...

A consumer price index (CPI) is an estimate as to the price level of consumer goods and services in an economy which is used as a way to estimate changes in prices and inflation.

16. Large retailers should support and mentor local businesses and independent retailers
 17. Retailers should report on their support of local high streets in their annual report
 18. Encourage a contract of care between landlords and their commercial tenants by promoting the leasing code and supporting the use of lease structures other than upward only rent reviews, especially for small businesses
 19. Explore further disincentives to prevent landlords from leaving units vacant
 20. Banks who own empty property on the high street should either administer these assets well or be required to sell them
 21. Local authorities should make more proactive use of Compulsory Purchase Order powers to encourage the redevelopment of key high street retail space
 22. Empower local authorities to step in when landlords are negligent with new “Empty Shop Management Orders”
 23. Introduce a public register of high street landlords
 24. Run a high profile campaign to get people involved in Neighbourhood Plans
 25. Promote the inclusion of the High Street in Neighbourhood Plans
 26. Developers should make a financial contribution to ensure that the local community has a strong voice in the planning system
 27. Support imaginative community use of empty properties through Community Right to Buy, Meanwhile Use and a new “Community Right to Try”
 28. Run a number of High Street Pilots to test proof of concept ¹³
- 1.20 Further to the Portas Review, Portas Pilots were created by Government. Recently announced were the 12 successful towns from Round 1. Additionally, Round 2 has been publicised for a further 12 towns. London Road Retail Area, with its higher than the national vacancy rates will be embarking on a bid for Round 2.

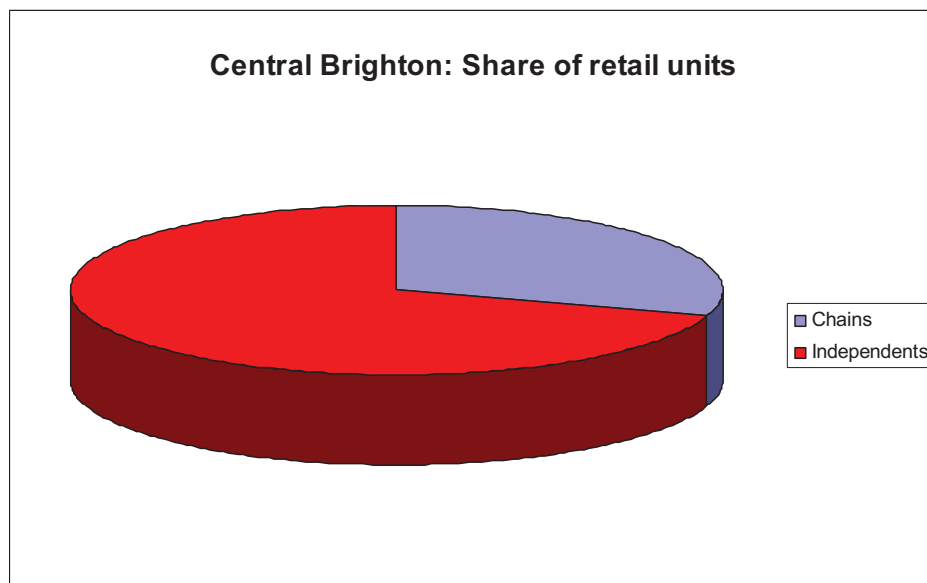
¹³ <http://www.bis.gov.uk/assets/biscore/business-sectors/docs/p/11-1434-portas-review-future-of-high-streets.pdf>

2. Brighton and Hove Retail in statistics

2.1 Whilst individual evidence presented to the panel indicated that there are significant challenges for retailers in Brighton & Hove, statistics show that in comparative terms the city has to date proved fairly resilient to nationwide economic downturn. The statistics below provide comparative information regarding retail both in the city and nationally.

Independents versus Multiples

2.2 Independents account for 70% of the available units in the city centre, with chains taking 30%¹⁴. In the BID area the split is 69% independent and 31% chains¹⁵.



2.3 The city centre has experienced **a decrease** in the share of independents from 73% to 70%. The BID area has experienced **an increase** in the share of independents from 68% to 69%. (This is due to multiples exiting the area and independents keeping their numbers constant) i.e. a reduction in multiples and independents remaining static.

Vacancy Rates

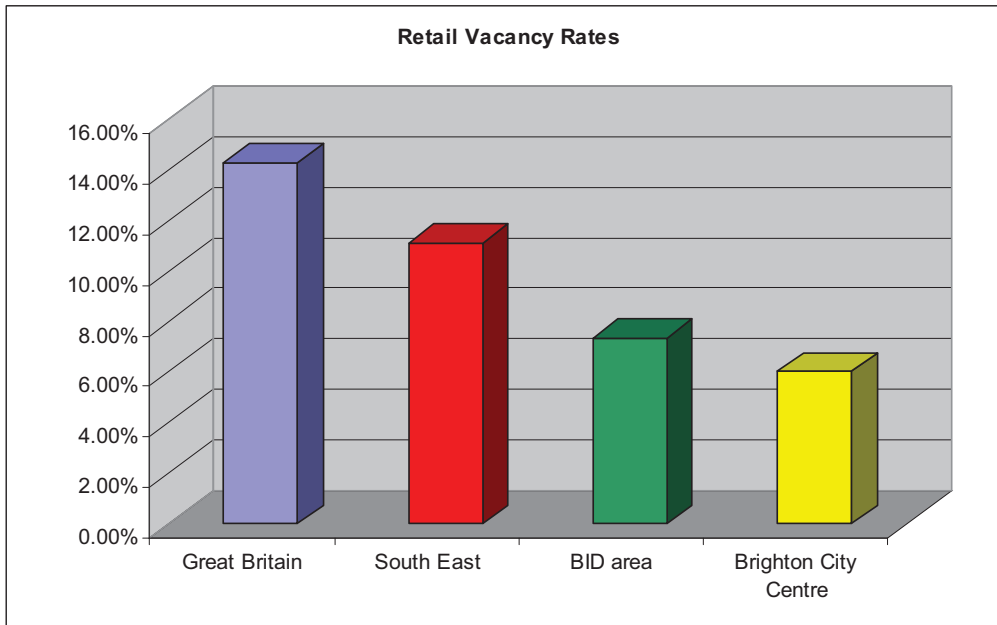
2.4 In comparative terms the city is doing well, and the relatively poor performance of the BID area compared to the centre can be attributed in part to Preston Street, which has high vacancy rates (see below). North Street, also in the BID area had had five extra vacancies in the past quarter, and together these represent vacancy hotspots negatively affecting the overall BID area vacancy rate relative to the city centre overall.

2.5 Comparison of vacancy rates:

¹⁴ Source: BID healthcheck Feb 2012

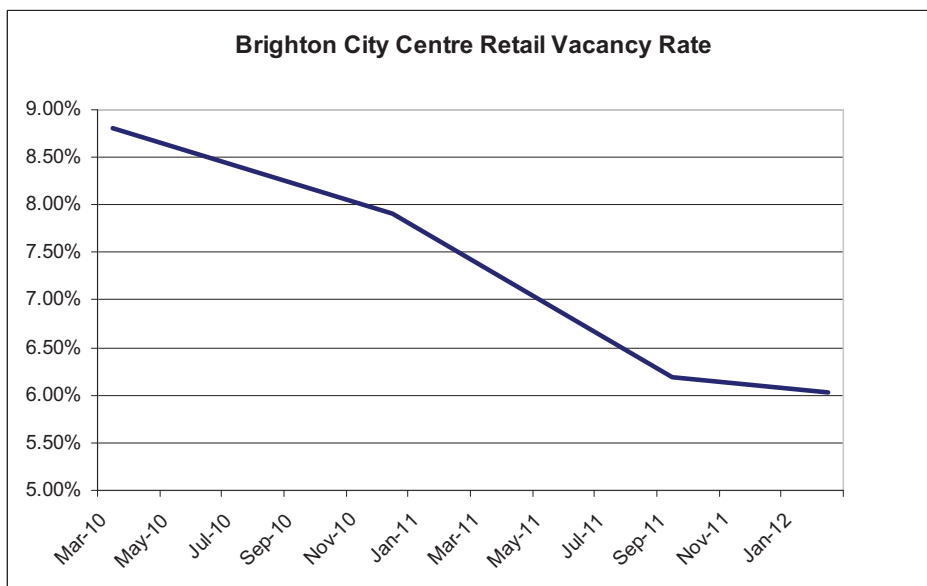
¹⁵ Source: BID healthcheck Feb 2012

- National - 14.3%
- South East - 11.1%
- BID area - 7.34%
- Brighton City Centre - 6.03%
- Preston St - 17.4%¹⁶



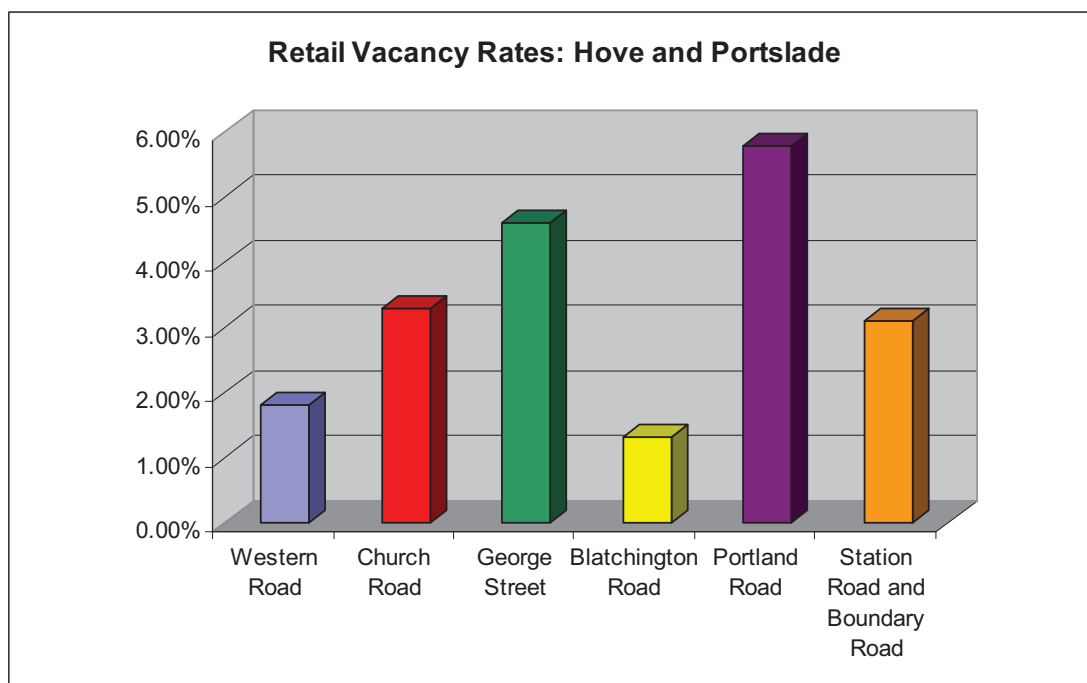
2.6 Overall, vacancy rates have declined in the city centre since 2010:

- March 2010 – 8.8%
- December 2010 – 7.9%
- September 2011 – 6.19%
- February 2012 – 6.06%



¹⁶ Source: BID 'healthcheck' 2012

- 2.7 Over the past quarter, vacancy rates have continued to fall in the city centre – from 6.1% to 6.03%. In the BID area, however, they have increased from 6.4% to 7.34%
- 2.8 The March 2012 vacancy rates for Hove and Portslade, courtesy of Hove Business Partnership’s March 2012 survey, are as follows: -
- 1.8% Western Road
 - 3.3% Church Road
 - 4.6% George Street
 - 1.3% Blatchington Road
 - 5.8% Portland Road
 - 3.1% Station Road and Boundary Road (ignoring three units at southern end not being marketed)
 - Overall: 3.7% (vacancies reduced from 30 to 28 out of 785 units)



Gross Value Added

- 2.9 According to Experian’s modelled Gross Value Added (GVA) for the city, retail generated £307m GVA in 2010. This was 6.35% of the city’s total GVA, of £4,831m in 2010. (GVA is a complex measure, but in essence it represents the official calculation of the money generated by individual sectors of industry or geographical areas).
- 2.10 In Bristol, retail contributes 5.9% of GVA; in Southampton 7.1%; in Portsmouth 6.6%.

Internet Sales

- 2.11 British Retail Consortium data regarding on-line sales shows they were up 24% in the last quarter of 2011, compared with the same period last year.

Findings and Recommendations

3. Parking

3.1 The clear message from retailers was that parking charges are having a detrimental impact on business. Evidence heard at every meeting was strongly against the increase of parking charges both to shoppers and to business trader parking permits.

3.2 The Portas Review makes a recommendation in regard to parking that:

'Local areas should implement free controlled parking schemes that work for their town centres and we should have a new parking league table'.

The report explains that the league table would rank car parks by their charges. The role of the league table would not just address the cost of parking, but also how councils invest in the quality and security of their parking spaces.

The report says that *"to increase the cost of parking in a locality (when there are alternatives offering free parking elsewhere) is to curtail the appeal of that location to the shopping consumer and therefore the longer term economic viability and wellbeing of the area."*

3.3 The Portas Review has been criticised by the British Parking Association "There is no such thing as free parking: someone has to pay for it." ¹⁷

3.4 Witnesses locally believed that the increase in charges would have a number of impacts, most notably to reduce footfall as shoppers limit the frequency of trips, combine visits and look for cheaper alternatives. It was also felt that shoppers may reduce the amount of time spent in the city due to the increase in the cost of parking for longer stays.

3.5 Retailers felt that it was important that parking charges reflected how worthwhile visits into the city were for users¹⁸. What value did visitors and shoppers place on their shopping and city experience and how did this compare to the price of parking/travel? Witnesses believed that anecdotally the cost of parking could be more than that of the entertainment that people travel to the city for.

3.6 It was suggested that in many cases consumers may even look to travel elsewhere for cheaper parking and shopping alternatives e.g. the internet or out of town shopping malls with their attractive free parking facilities.

¹⁷ <http://www.britishparking.co.uk/Blog/BPA-response-to-The-Portas-Review>

¹⁸ FSB, 27/2/2012

- 3.7 Both the BID Manager and the FSB Development Manager expressed the view that to offset the increase in cost of parking consumers may reduce the amount of money spent in the city.¹⁹
- 3.8 The Chief Executive of the Business Forum reported that “parking provision and parking rates will also be a key element for some consumers when planning their shopping trips and it is essential that the city is able to offer a balanced range of facilities and prices”.²⁰
- 3.9 Many witnesses felt it was unclear what the council was seeking to achieve through its parking pricing. The council needed to consider what was their aim by increasing charges? Was it to discourage people using their cars in order to reduce the city’s high pollution levels? If so, what alternative and cost-effective transport was available and how was it marketed to encourage people to make a shift from their car to public transport? Was the council working with train and bus operators to price-match car travel or offer cheaper deals to individual travellers and families? The panel heard how family train travel was considered too expensive, so the car was a preferred option for families²¹.
- 3.10 Continuing the theme, further questions were posed which related to whether the council has a parking pricing policy. What was it based on? Had retailers and visitors been consulted on such a policy?
- 3.11 The panel were advised that research was being undertaken on parking charges and how they compare to those in other areas. This will help to inform at the council’s city-wide parking review. Members were concerned to ensure that evidence heard during the scrutiny panel was considered by the parking review.
- 3.12 The former City Centre Manager believed that the city was contradicting the thrust of the Portas Review and trends in much of the rest of the country in by raising parking charges.²²
- 3.13 There were a number of comments made on Twitter and live-chat regarding parking some of which are reflected below to contextualise the debate:

“Make parking more accessible/cheaper for visitors and locals and advertise cheap parking where it is provided.”

“Anecdotal feedback from out of town customers is that parking charges will put them off returning, or returning as frequently to the town”

¹⁹ BID & FSB, 27/3/2012

²⁰ CE, Business Forum- Agenda 6/3/2012

²¹ The Guarana Company, 1/3/2012

²² Former City Centre Manager, 1/3/2012

“The council shouldn't underestimate the impact of increasing parking fees on the day visitor trade (day tourists from London, shoppers from outer districts and surrounding region) ...We should never be so arrogant to think that Brighton will always be the consumer's choice: we do have competition and, as with any market, those competitors will take advantage of any gaps that open up. I haven't heard a single endorsement from local businesses for an increase in parking charges.”

“Not increasing car parking charges that would free up much needed cash flows for local businesses.”

“Providing an up to date, on-line map that shows Brighton and Hove's various parking arrangements.”

“Random free parking offers”

Parking Offers

- 3.14 A number of witnesses expressed the opinion that it would be worth exploring parking promotions supporting specific areas, events or times of the year.
- 3.15 For example this could be used to support festivals on Hove Lawns, promote outlying shopping areas (Portland Road), or support traders following dips in trade for severe weather - like snow prior to Christmas.
- 3.16 It was also suggested that the council could provide free parking for electric cars to encourage people to think more environmentally and provide car-friendly marketing.²³
- 3.17 Further feedback was that loyalty discount parking schemes could be beneficial e.g. Eastbourne shoppers received a parking discount for spending £50.²⁴ Other loyalty schemes mentioned included the free disc parking for 1-2 hours free parking in specific areas out of the city centre.²⁵

Further parking concerns

- 3.18 The Chief Executive of the Business Forum told the panel that with the possible expansion of Churchill Square into a regional shopping centre, extra car parking spaces would be needed.²⁶ The council needs to be clear about its parking policy and consider how additional car parking spaces can be provided for the expansion of Churchill Square.
- 3.19 The Director of Metamorphosis highlighted that some towns had found it useful to identify redundant car parking spaces, for example, at local churches or schools that could be utilised at various times. These can

²³ TN Lawrence & Son Ltd., 6/3/2012

²⁴ FSB, 27/2/2012

²⁵ Willow, 27/2/2012

²⁶ CE of the Business Forum, 6/3/2012

generate income for different groups and provide extra parking capacity²⁷.

- 3.20 It was suggested that if the council hasn't already carried out a similar analysis of city parking provision, then there could be utility in undertaking such a study. It should be noted however that examples presented to the panel were from considerably smaller urban areas than Brighton & Hove.
- 3.21 The panel heard how free parking could have a positive impact on trade. The Tesco's store on Church Road, Hove offered two hours free parking. This free parking provision was set out in the 'multiples' planning regulations. This enabled customers to shop with a number of retailers in a single supermarket visit.²⁸ The turnover of the car park was tailored for short stay and was heavily utilised. It was confirmed that a good level of parking did help local retailers.
- 3.22 Multiple food stores were asked to provide free parking for a limited amount of time, ensuring that customers could shop at other local retailers. This approach seemed effective and should be used as often as possible to encourage shoppers to visit other retailers.

Parking Strategy and Price

- 3.23 Whilst there was anger at the cost of parking and concern over the impact that retailers believed it was having on their businesses; there was also confusion as to what the council was seeking to achieve in its parking strategy and the role pricing played within this.
- 3.24 In changing parking tariffs the council needed to communicate better its aims and create an understanding of what it is trying to achieve. The panel heard that at present retailers feel ignored, confused and frustrated.
- 3.25 The costs involved in travel have an influence on how people travel, how often they travel and even whether to travel or not. These costs include monetary costs as well as non-monetary costs (such as time, risk and comfort). Travelling tends to follow a pattern. When costs, time, risk and discomfort relating to travel decrease, the number of journeys increase; the reverse is also true.
- 3.26 Changes to travel costs can have a variety of impacts on travel: the number of trips taken, route, mode of transport and destination. These changes are measured by economists as elasticities; a percentage change in the use of a commodity or product caused by a percentage change in its cost.
- 3.27 Parking charges can have the following effects:

²⁷ Metamorphosis, 6/3/2012

²⁸ Tesco, private meeting

- car users to change the number of vehicles they own
- larger numbers of motorists to travel at off-peak periods
- travellers switch to another form of transport
- car users travelling to alternative destinations
- making fewer trips, or combining trips for more than one purpose
- car users changing where they live and work.²⁹

Parking Strategy

- 3.28 The Parking Strategy: Parking Tariff Review reported the proposed changes to the city council parking charges on November 2011.³⁰ The proposals were set within the context of the objectives set out in the Local Transport Plan (LTP3). The 5 strategic goals were economic growth; carbon reduction; quality of life; equality of opportunity; safety; security and health. Parking tariffs were determined as one of the levers for influencing travel patterns and fulfilling the council's aim to create a safer, cleaner and more sustainable city.
- 3.29 The council's parking tariff structure had developed over time and had been subject to periodic reviews. It was recognised that the existing charges had a degree of complexity and these had been reviewed to improve the understanding for residents, workers, businesses and visitors who drive into and around the city.
- 3.30 There was strong evidence that effective parking controls could have a positive influence on promoting more sustainable travel choices. The introduction of Civil Parking Enforcement (CPE) in 2001³¹ contributed significantly to improving road safety and traffic flow along important travel routes, particularly on bus journeys and at bus stops. It had also freed up more spaces for residents to park their vehicles and increased motorcycle parking.
- 3.31 Recent local surveys had shown increases in sustainable transport use. This included a steady rise in bus passengers' journeys from 30 million to 41 million between 2001 and 2010, and 27% more cycling trips between 2006 and 2009. By comparison, the average number of car trips entering and leaving the city every day has reduced by 12,000 between 2007 and 2009. This has helped to curb the growth in traffic congestion, reduce deterioration in air quality and minimise growing carbon emissions. The new Sussex Low Emission Strategy aims to continue this trend through the development control and the planning process.

²⁹ http://www.plymouth.gov.uk/chapter_7-5.pdf

³⁰ Environment, Transport & Sustainability Cabinet Members Meeting- 29/11/2011
[http://present.brighton-hove.gov.uk/Published/C00000637/M00003620/AI00024119/\\$20111118152156_001066_0002944_ReportTemplateCabinetMemberMeeting.doc.pdf](http://present.brighton-hove.gov.uk/Published/C00000637/M00003620/AI00024119/$20111118152156_001066_0002944_ReportTemplateCabinetMemberMeeting.doc.pdf)

³¹ Local authorities under the Road Traffic Act 1991 take over city wide parking enforcement and parking management schemes, (also known as Decriminalised Parking). Previously some of this enforcement was undertaken by the Police).

- 3.32 Changes to parking charges are part of a wider strategy which was designed to manage demand, help cut down on traffic volumes in the city and encourage residents and visitors to consider sustainable transport options such as walking, cycling and public transport. Recent independent research carried out for the government showed that people base their choice of shopping venues on a whole range of factors, not just parking prices.

The city has serious air pollution problems in some areas which can affect people's health. Serious traffic congestion, with cars queuing miles out of town on summer weekends or driving around the city looking for car parking spaces – has a negative impact on drivers, businesses and residents. Car parking charges are highest where there is most demand for spaces and are set at a level to encourage people to think about alternatives.³²

- 3.33 Council officers advised the panel that parking charges varied considerably nationally and reflected demand in a particular area. The city had unique attractions, high levels of visitor demand and limited parking capacity. Brighton & Hove was very different from other towns on the south coast, and even London. Therefore it was difficult to find a like for like comparator. Further research was underway to collate more data on parking charges.
- 3.34 The panel requested parking price comparisons from Bournemouth (as an initial starting point), for this inquiry. The comparisons showed that Brighton & Hove's parking charges were higher, with a significant difference in the all day parking charge. It must be noted that the parking officers felt that the city was more comparable to London than Bournemouth.
- 3.35 The council needs to ensure it does not price itself too high, which could make Brighton & Hove a less attractive destination. The council needs to consider how its parking pricing policy, supports retailers and how it markets the city's parking offers regionally.
- 3.36 Interestingly comparative figures for business parking permit rates showed that Brighton was similar to many London Boroughs.³³
- 3.37 Work is underway to identify parking trends and traffic flows within the city and products that can offer solutions to current issues.
- 3.38 The council has previously introduced a number of flexible and responsive parking tariffs:

³² Further information on this issue are available on Parking Questions & Answers : <http://www.brighton-hove.gov.uk/index.cfm?request=c1262794> and the Parking Annual Reports : <http://www.brighton-hove.gov.uk/index.cfm?request=c1247955>

³³ Public minutes

- A new hotel/guest tariff has been introduced for visitors staying in the city at The Lanes, London Road, Trafalgar Street and Regency Square: £8-£10 between 4pm and 11am the next day.
- There is a shopper tariff £1 for 1 hour, which has been reduced from £2.50 is available at The Lanes, London Road, Trafalgar Street and Regency Square.
- The evening parking tariff had also been reduced.
- Parking offers had been trialled out before at Regency car park, however this was to the detriment to the Lanes car park. It was deemed that this type of promotion was not a viable option.

3.39 After representations were heard against the proposed parking charges for 2012-2013 to the business and trader permits, amendments to reduce the tariffs were made. The increase to parking charges was to allow the council to allocate trader permits to all those who had been on the waiting list.

Business Parking Permits (for retailers)

3.40 Whilst most concern was expressed about the cost of parking to shoppers, the issue of the cost of parking permits for businesses and traders was also raised. Evidence presented to the panel highlighted a rise³⁴ of nearly 50%, from £175 per annum to £300 (working out as daily increase of 34p) for Business Parking Permits. Businesses which gave evidence to the panel viewed this increase as an extra and unjustified tax which put additional pressure on retailers' cash flow. It was noted that the BID had secured a discount for retailer parking with National Car Parks (NCP).³⁵ It was suggested that the Council could support traders by offering a discount at their car parks.

Parking Summary

3.41 Parking has become a very emotive issue for retailers, one where they feel they are not being listened to.

3.42 During the drafting of this report changes were made to some of the parking charges in central Brighton in response to a robust public debate on the issue.

3.43 A wider review of parking is currently underway. Whilst it is a concern that the council is changing parking charges without any evidence as to where its charges sit with comparative cities and regional neighbours, or how this will affect driver and visitor behaviour; it is to be hoped that the issues picked up in this report will be addressed within the study.

3.44 The council does need to consider the price elasticity of parking charges and the negative impact it could have on shoppers and visitors, especially for its retailers and tourism sectors whose livelihoods depend on these consumers.

³⁴ Red Bed Company, 27/2/2012

³⁵ BID, 27/2/2012

- 3.45 Clearly, in times of significant budget reductions, the council is seeking to maximise its revenue streams. However parking should not be seen as an inexhaustible 'cash cow' from which revenue can be raised.
- 3.46 Parking charges are a key factor of the retail mix. The panel wondered whether there is the capacity to increase charges without damaging the independents' trade? Could increases to parking charges be trialled beforehand, so that any negative impact on footfall figures could be measured?³⁶
- 3.47 After all the evidence heard the panel decided to recommend:

Recommendation 1

The Council needs to demonstrate that the impact of increased parking charges on the retail sector have been researched and understood prior to changes being introduced. This research and the rationale behind any changes to policy should be published.

Recommendation 2

The Council should consider developing a more flexible approach to parking, utilising special offers and targeted support through parking regulations to promote specific retail areas.

Park & Ride

- 3.48 A number of local retailers suggested that the city's parking issues could best be tackled through the expansion of park and ride facilities. Witnesses suggested that this would ensure shoppers and visitors had a more welcoming trip into the city by avoiding traffic congestion. Witnesses believed that park and ride encouraged shoppers and visitors to stay longer, buy more and was a less stressful mode of transport.
- 3.49 The Chief Executive of the Business Forum reported that "to supply consumers to service our retailers, we must attract them from greater distances than competing towns with a 360 degree catchment.³⁷ But weekend intra-city transport links are often disrupted and the absence of a park & ride facility deters some shoppers".³⁸
- 3.50 The panel heard how this was a cheaper parking solution for car users, especially for families.³⁹

³⁶ Chief Executive, Business Forum - 6/3/2012 Agenda

³⁷ Brighton has a 180 degree catchment area as it's positioned by the sea, those cities that are inland have a 360 degree catchment area

³⁸ Chief Executive, Business Forum - 6/3/2012 Agenda

³⁹ FSB, 27/2/2012

- 3.51 The BID Manager believed that a park and ride scheme would make the city more accessible to visitors and attract them from a wider catchment area. The longer people were in the city the more they would spend on shopping, city attractions and restaurants.
- 3.52 The FSB Development Manager expressed a view that consideration should be given to a park and ride scheme from Falmer and the Marina, as these were lower cost parking options for the consumer which encouraged a lengthier stay in the city.⁴⁰
- 3.53 Further evidence related to possible locations for a park and ride site and which logistical issues would need to be overcome for any scheme. Overall when discussing parking, however, retailers were very supportive of a park and ride scheme.⁴¹

Other comments received

- 3.54 *“The Council [must realise that] without serious investment in traffic management and parking infrastructure (and yes that includes... Park & Ride), we put our independent retail and hospitality sectors at risk by ramping up the cost of parking”*

“The Town should spend time and money in improving access”

Other related factors

- 3.55 The panel were told how issues such as road works spoiled the customer experience and needed to be taken into account when welcoming visitors.⁴² Road works add to traffic congestion and lead to delays. Shoppers and visitors queuing in traffic, and then possibly having to queue further to get into city car parks, can find the whole experience stressful. They may even opt to go to other cities or towns in future to spend their money.
- 3.56 The council continues to promote the number 27 bus from Withdean Stadium as a Park and Ride service to the city centre.
- 3.57 A number of studies and reviews of Park and Ride have been carried out in recent years without coming to any firm conclusions or decisions. In 2011, a review began of the principle of including Park and Ride as part of the city's new spatial/planning strategy (the City Plan). Consultation on a Policy Options Paper for Park and Ride took place from 17 October to 2 December 2011 which has now closed. While it is not possible to accept any further representations on this paper, it is hoped that the responses to the scrutiny panel will help inform future policy.

⁴⁰ FSB, 27/2/2012

⁴¹ Graves Jenkins, private meeting

⁴² FSB, 27/2/2012

- 3.58 The Policy Options Paper⁴³ considered the key issues that a Park and Ride was expected to tackle, alongside relevant evidence and the changing national planning policy context. The paper set out a number of potential options to address the issues, along with the main advantages and disadvantages of each option. The proposed preferred option was to withdraw Park and Ride as a transport policy from the city's planning strategy. This is because it was felt that more significant benefits could be achieved at less cost, through alternative measures which are more deliverable and will contribute towards tackling congestion. The council are currently examining the responses received during the Policy Option Paper Consultation period and will be consulting on a full version of the draft City Plan by summer 2012.
- 3.59 Other measures to address transport issues, including congestion, will be delivered through the council's Local Transport Plan and the funding will be allocated to various projects by the council when setting its budget. Investment will be made in a number of different areas to manage the movement of people, vehicles and goods to make it easier for everybody to get around the city. This will include measures to increase levels of walking, cycling and public transport as well as improve traffic management including improved signing for car parks. One key priority area, also now identified in the council's 2012/13 (and future years) budget for transport funding, is to improve access to shopping areas and along key corridors that include retail outlets.

Summary

- 3.60 Witnesses thought that to support retailers, park and ride could provide an attractive travel option to shoppers and visitors. It would give consumers the option to extend their shopping stay which could increase income for independent stores. Also park and ride would provide a cheaper, more welcome and stress free journey.
- 3.61 It is clearly beyond the remit of a panel on supporting the retail sector to look at all the costs and benefits of a park and ride scheme, or even to come to a conclusion as to its overall benefit. However the panel felt that serious consideration needs to be given to park and ride as a means of addressing the city's parking problems in the development of the city plan.
- 3.62 The draft City Plan can be found at http://www.brighton-hove.gov.uk/downloads/bhcc/ldf/cp_Draft_City_Plan_FINAL_May_2012.pdf
- 3.63 After all the evidence heard the panel decided to recommend:

⁴³ http://www.brighton-hove.gov.uk/downloads/bhcc/planning_strategy/City_Plan_Park_and_Ride_Option_Paper.pdf

Recommendation 3

There was support evident for a Park and Ride scheme to help tackle traffic congestion. In developing the City Plan evidence presented to the Scrutiny Panel should be taken into consideration when contemplating a Park and Ride.

4. Rents and Business Rates

- 4.1 Other than parking the most commonly raised issues was the “retailers’ biggest enemy” – business rates and rents. It was felt by retailers themselves that these were by far the biggest cause of business failure.⁴⁴
- 4.2 The Portas Review sets out the following relevant recommendations in respect of rents and business rates:
- Local authorities should use their discretionary powers to give business rate concessions to new local businesses
 - Encourage a contract of care between landlords and their commercial tenants by promoting the leasing code and supporting the use of lease structures other than upward only rent reviews, especially for small businesses
 - Explore further disincentives to prevent landlords from leaving units vacant
 - Empower local authorities to step in when landlords are negligent with new “Empty Shop Management Orders”
 - Introduce a public register of high street landlords
- 4.3 Business rates and rents are set by the Government’s Valuation Office and payments are determined by the national Uniform Business Rate. A 5.6% increase in business rates commenced in April 2012. A deferral scheme (for businesses who want to postpone their payments) has been introduced by government. Future legislation will allow councils to retain business rates. (Currently, business rates are collected by the council on behalf of the government). Business rates and rents represent one of the largest costs to retailers.
- 4.4 A commercial agent identified that landlords wanted to maximise their rents; tenants on the other hand would obviously want to pay the lowest rent possible for their properties, potentially causing friction between the two.⁴⁵
- 4.5 The BID Manager suggested that retailers needed support to lower their overheads. Support was needed for the creation of a Rent Register, so that retailers understood what they should be paying for their properties.
- 4.6 Further suggestions were that the council could provide an information pack on how rents were set, on other costs and business rates. Trade associations also had useful sources of information and skills in relation to rates and rents.⁴⁶

⁴⁴ Cocoon, Temptation Cafe (NLTA), 27/2/2012, and The Guarana Company, 1/3/2012

⁴⁵ Graves Jenkins, private meeting

⁴⁶ Temptation Café (NLTA), 27/2/2012 and Graves Jenkins, private meeting

- 4.7 The FSB Development Manager expressed a view that the council needed to think of short term solutions and look to influencing a reduction in rates and rents.⁴⁷ However as mentioned earlier, the setting of rents and rates is undertaken at a national, not local level.
- 4.8 The owner of Cocoon and TN Lawrence & Son believed that landlords should be offering holiday periods, or reduced rent periods to help retailers get through the recession.⁴⁸
- 4.9 It was felt that some retailers e.g. ‘multiples’ were prepared, and able, to pay a higher premium to locate in specific areas; this could then mean rents for nearby properties would increase too.
- 4.10 A commercial agent confirmed that landlords would need to provide evidence that a higher premium was being paid locally, to negotiate an increase. It was identified that multiples paid more for properties as they could generate more footfall due to brand recognition.⁴⁹
- 4.11 The panel heard that retailers needed support with negotiating their rents at rent reviews. It was suggested by the owner of Temptations’ Cafe (and the Vice Chair of the NLTA) that the council could play a broker role with landlords and tenant retailers. This could help prevent landlords from using other retailers to set precedence at rent reviews, with a consequent increase in retailers’ rents.
- 4.12 Information sharing about rents gave traders knowledge about what they should be paying for their premises which helped retailers to negotiate their rents.⁵⁰
- 4.13 The Chief Executive of the Business Forum believed that without professional representation for rent reviews, independents were at the mercy of their landlords. This was because independents did not fully understand the rent review process. Additionally, many are unaware that a proposed rent increase should be supported by evidence of the rents for similar premises rents, in the same street or immediate area. The naivety of retailers at rent review meetings can set a precedent at further reviews resulting in rent increases, which can ultimately lead to an increase in business rates.⁵¹
- 4.14 The Director of Metamorphosis expressed a view that the Council should use their property register to promote the good work of landlords. This could be done by exposing poor practices and sharing good practices, as well as encouraging landlords to work better with their tenants. Media involvement would raise awareness and show a

⁴⁷ FSB, 27/3/2012

⁴⁸ Cocoon, 27/2/2012 & TN Lawrence and Son Ltd., 6/3/2012

⁴⁹ Temptation Cafe (NLTA), 27/2/2012 and Graves Jenkins, private meeting

⁵⁰ Temptation Cafe, (NLTA), 27/2/2012

⁵¹ CE, Business Forum - 6/3/2012 Agenda

charter for good practice, which landlords could be encouraged to sign up to.⁵²

- 4.15 A commercial agent confirmed that retailers would need to provide strong reasons to landlords why their rents should be reduced from, say, quarterly to monthly payments. Traders would need good business planning skills to put forward personal plans allowing temporary rent decreases due to specific circumstances; there is a clear need for support from traders associations in this regard.⁵³
- 4.16 Further evidence was heard as to whether the retail economy was in decline, as competition was apparent for the bidding of properties. High street landlords would not always negotiate their rents as any reduction in the rent could affect the capital value of the property.⁵⁴ Evidence was presented that empty properties in Brighton & Hove were in most cases not staying vacant for long, so whilst there may be a higher than usual turnover of retailers, there was no shortage of businesses being established.
- 4.17 The panel noted that rents could vary between £25k per annum for a unit in George Street (£500 per week), with rates at £12k p.a. and operational costs on top such as staff and licences. However in North Street rents would be £80k-£100k per annum for Zone A premises and as well as £50,000 per year in rates.⁵⁵ These were challenging costs for retailers to meet.
- 4.18 Brighton & Hove City Council owns a considerable amount of retail property in the city, but currently has no empty premises. As custodians of public money and property the council has a duty to act prudently in managing these assets. Nevertheless the council is always conscious of the pressures faced by small businesses in particular and offer support where it can.
- 4.19 Business tenants have an arms length contract with the council which is subject to national legislation and established case law. Therefore the council needs to be careful in engaging too closely with their business arrangements.
- 4.20 Evidence highlighted that when a tenant was finding their rental payments difficult to meet the council via their agents would enter into discussions regarding the state of the business. This would focus on ways to alleviate their trading position.
- 4.21 Examples of such actions include:

⁵² Metamorphosis, 6/3/2012

⁵³ Graves Jenkins, private meeting

⁵⁴ Graves Jenkins, private meeting

⁵⁵ Graves Jenkins, private meeting

- arranging informal rent payments and recommending they seek independent financial advice or property advice to sell their business and / or the lease asset etc.
- agreeing monthly, or indeed weekly, payment arrangements in some circumstances
- general lease restructuring to raise finance,
- sub-letting surplus accommodation to generate additional income.

4.22 A close relationship between landlord and tenant is essential to ensure liaison at an early stage, hopefully before the state of the business is irrecoverable.

4.23 A landlord can only increase rent upon review if there is evidence of comparable transactions which suggest an increase is justifiable, and either party has recourse to arbitration / an expert to determine the figure set. Comparable transactions may be established by multiples or independent traders alike, dependent upon circumstances, location etc.

In an open market setting, it is the tenants making bids which set the rental tone. (Business rates do not influence rental value).⁵⁶

Future City Centres

4.24 The panel heard evidence how city centres need to have a robust infrastructure and be able to reinvent and renew their shopping patterns as consumer expectations change. Consumers were now demanding more than merely places to shop; rather shopping has now become an experience akin to a day out.⁵⁷

4.25 Landlords and agents needed to recognise these changes and provide the right type of premises, whilst ensuring the use of vacant properties was more flexible and not fixed.⁵⁸ They would need to work with the council, city planners, retailers and other partners to deliver this.

Empty properties and ‘Pop ups’

4.26 A ‘pop-up shop’ is a short-term tenancy that allows a retailer to trial a product or concept over a short space of time, or for a fixed production run. It provides a flexible and lower-risk way of starting or expanding a business. “Pop ups” can provide rent to landlords in spaces that are proving difficult to fill. They can also create a unique and energetic atmosphere as new retailers arrive and seek to maximise their opportunities.

4.27 The panel heard that “pop ups” could be used to fill empty sites.⁵⁹ The Director of Metamorphosis believed that “pop ups” were a positive way

⁵⁶ Property & Design, Brighton & Hove City Council

⁵⁷ Former City Centre Manager, 1/3/2012 & CE Business Forum, 6/3/2012

⁵⁸ Graves Jenkins, private meeting

⁵⁹ FSB, 237/2/2012

forward for empty properties, as they gave energy to an area and were a great way of promoting on-line businesses.⁶⁰

- 4.28 There were also opportunities for small businesses to create a cooperative in one site.⁶¹ Landlords and tenants would have to work in partnership with council planners to deliver this.
- 4.29 Empty property sites on the high street were unattractive and needed to be avoided. Retailers believed that shop closures would have a knock on effect, causing a “churn” (the closing and opening of retail stores).⁶²
- 4.30 The panel was impressed by evidence from the council on how they worked closely with their leaseholders to avoid voids and had succeeded in having no voids in their property portfolio. The council needs to look to extend its proactive way of working with its tenants, where possible, and consider how they could work with city landlords to prevent having empty sites across the city⁶³
- 4.31 The BID spoke about expanding their services and the potential to employ an empty properties officer to work with landlords and agents to open up empty properties and get “pop up” shop, art installations and theatre groups to use these spaces and invigorate the high street.⁶⁴ This would have a positive affect on the city and for retailers by promoting an “open for business” and vibrant atmosphere for shoppers and visitors to enjoy - rather than a row of empty shop units.
- 4.32 The owner of Cocoon pointed out that previously empty sites had shop front posters with pictures of the old city which were more attractive to look at. The panel felt that the council should consider making further funding available to place these posters on empty properties.
- 4.33 **Further evidence:**
Reduce Business Rates for small, independent traders, promoting the unique qualities of the North Laine and South Lanes. Brighton’s famous, unique retail sector will lose its character if more of the small, independent retailers are forced to close. If we become one massive Churchill Square, why would visitors come?

Rent control for small shops and businesses. The ratcheting up of rents in the North Laine has driven several friends of mine out - they're doing well on-line but it doesn't help keep Brighton alive.

Pop up shops have been a great way to create buzz over recent years and I'd like to see empty spaces used in this way more.

⁶⁰ Metamorphosis, 6/3/2012

⁶¹ Former City Centre Manager, 1/3/2012 & CE Business Forum, 6/3/2012

⁶² FSB, Temptation Café (NLTA) & Cocoon, 27/2/2012

⁶³ FSB, 27/2/2012

⁶⁴ BID, 27/2/2012

Address the appearance of boarded-up shops right across the city as soon as they are vacant? For example, the art hoardings that were put up in some places in the city centre in 2007 & 2008 were very effective. There are also cheaper ways.

Other related evidence

- 4.34 Witnesses believed that there should be complete transparency on what business rates are actually used for. Many businesses still thought that this cost to the council should go towards dressing the city, security and the costs of the alcohol licence and refuse collection (which was not included in business rates).⁶⁵
- 4.35 As mentioned before, new government plans would mean that councils will be able to retain elements of the business rates they collect. (Currently the money is sent to central government and then re-dispersed via local authority formula funding). Evidence heard from independents highlighted that they felt they were hard done by the council. This was because their business rates did not cover refuse collections, displaying A-boards, street licences and decorating the streets: all of which were additional costs to traders. The main issue is that businesses do not know what service provision their business rates pay for. In the future, when the council starts to retain these businesses rates, they will need to be more transparent as to what these rates are spent on in terms of services to traders.
- 4.36 The owner of TN Lawrence & Son believed that the council should adopt a rate-free period to support businesses struggling with recession.

Summary

- 4.37 Retailers should be encouraged to get support for rent reviews. Previous rent registers have been successful in preventing unwarranted rent increases. Even though it can be an onerous task to produce registers and dependent on volunteers, this gave independents the knowledge to negotiate on a more level playing field with their landlords at rent reviews. The panel wondered whether there was an opportunity for Traders Associations to investigate this further.⁶⁶
- 4.38 There is the need for a mediator to intervene with landlords and agents whose properties were vacant, to find out whether they require any assistance in finding a tenant, and encourage them to trial pop ups. Empty properties on any high street are not appealing to visitors and gave the city an uninviting appearance.
- 4.39 After all the evidence heard the panel decided to recommend:

⁶⁵ BID Manager, Temptation Cafe, (& NLTA), Cocoon, 27/2/2012

⁶⁶ CE, Business Forum - 6/3/2012 Agenda

Recommendation 4

Flexibility on the part of landlords with regard to rent levels, short-term leases, allowing pop-up shops and individual rent plans can have considerable benefits. The council as landlord offers flexibility for its leaseholders; it should promote this best practice to other landlords.

5. Signage & the Station Gateway

- 5.1 Brighton Station has around 15 million passenger journeys in 2010/11 and acts as the gateway to the city for many visitors. It is owned by Network Rail and managed by Southern.⁶⁷
- 5.2 Retailers who gave evidence felt strongly that significant improvements were needed to the station gateway to promote a more open and visitor friendly welcome, with better signage and access to shopping areas and city attractions.
- 5.3 The panel were informed that the renovation to the station gateway had been under discussion for a number of years.⁶⁸
- 5.4 It was suggested that the tourist information function could be outsourced so it could be self-financing.⁶⁹ The Director of Metamorphosis confirmed that they had been involved in a similar project elsewhere supporting the development of a self-financing tourist information centre. The outcome of the project was that the tourist centre fully funded itself.⁷⁰
- 5.5 It was felt that the Station Gateway project should consider having a tourist information centre in the station. It should be seen as an essential part of marketing the city. This centre would offer information such as maps, shopping guides to Brighton & Hove's independent retail areas and how to travel to these areas, events, festivals, city attractions, restaurants and where to stay, according to the visitors' needs.
- 5.6 The panel heard that while the current station layout drew visitors to the sea and Churchill Square it did not encourage tourists to discover other shopping areas where the independent retailers were; especially the North Laine area which was in close proximity to the station.⁷¹
- 5.7 Retailers spoke passionately to the panel about the city's independent traders offering a wide range of unique products. Retailers also felt strongly that these areas should be promoted at the station, because a large percentage of visitors come into the city on the train.⁷²
- 5.8 There was discussion regarding the use of technology to provide information on the city to visitors. It was suggested that QR codes⁷³

⁶⁷ <http://www.rail-reg.gov.uk/server/show/nav.1529>

⁶⁸ Business Forum, 6/3/2012

⁶⁹ BID, 27/2/2012

⁷⁰ Metamorphosis, 6/3/2012

⁷¹ Temptations Café (NLTA), 27/2/2012

⁷² Temptations Café (NLTA), 27/2/2012 & The Guarana Company, 1/3/2012

⁷³ QR is short for Quick Response and a QR code is a two dimensional code that can be read by a special barcode reader on a camera phone. The code is made up of black modules arranged in a pattern on a white background. The information that's encoded into the code

could provide an array of information, which would be useful to tourists. It could also alert them to events and independent shopping areas suitable to their individuals needs. VisitBrighton had an iPhone application which was excellent in promoting the city.⁷⁴ It was generally felt that more could be made of different technologies to both promote the city to visitors and help visitors access the different retail areas within the city.

- 5.9 The panel were told that traders were keen to get involved in the development of the station gateway project. It was important that the council and partners ensured that retailers, trade associations, the BID, Business Forum are consulted with and involved in the planning of this important scheme.
- 5.10 It was also suggested that traditional notice boards welcoming people to the city should also be used. The boards should highlight attractions, shopping areas which could be reached on foot or by bus, and QR codes. A kiosk could be established where maps were available with listings of specialist retailers, such as vintage shops, walking tours and local food. Car parks should also have the same information.⁷⁵
- 5.11 Any potential promotional spaces should be utilised to advertise the city's attractions to visitors arriving from Brighton Station, such as the gable end of the Queen's pub.⁷⁶
- 5.12 The Panel were advised that many of these issues, such as signage, improved directions and connections were being actively addressed through the Station Gateway project and different options consulted upon.
- 5.13 Enhanced signage and creating a better welcome was one of the primary objectives of the scheme. This is to include a more effective interchange so that people could continue their journeys more easily. Maps and a tourist kiosk were also being considered.

City Plan- Public Streets and Places

- 5.14 The Station Gateway is identified as a priority area in the council's City Plan which requires improvements to accessibility and the public realm. The purpose of the Public Streets and Spaces policy in the City Plan is to create a simpler and higher quality urban realm which accommodates the needs of all people. This would include pedestrian and cycle-friendly spaces. The concept is to make it easier to move around the city, by having clear signage, removing obstacles and providing public seating to allow regular opportunities to stop and rest. Tree, and other, planting could be incorporated into the scheme.

might be a website URL, text or another type of data. Source:

<http://www.theiphonemom.com/qr-codes>

⁷⁴ Temptations Café (NLTA), 27/2/2012

⁷⁵ Temptations Café (NLTA), 27/2/2012

⁷⁶ CE Business Forum, 6/3/2012

Different forms of public art in the way of lighting effects, water features and street furniture may also be used to make visitors' arrival in Brighton more welcoming.

Summary

5.15 The Station Gateway consultation is still in progress, so it's important that the views of retailers are incorporated as well as the evidence heard during this scrutiny inquiry. The main factors raised were that the gateway should deliver a welcome to the city which is easily accessible, presents information and signposts visitors to different areas of the city and key attractions.

5.16 After all the evidence heard the panel decided to recommend:

Recommendation 5

Ideas for improving the signing, information and flows of pedestrians heard by the panel should be taken forward as part of the Station Gateway project, most notably:

- **Clear direction through the North Laine**
- **A tourist information kiosk on the station**
- **Better sign posting towards retail areas**

6. Coordination and Strategy and Communication with the Council

6.1 The first recommendation of the Portas Review is to:

'Put in place a "Town Team": a visionary, strategic and strong operational management team for high streets.'

6.2 Evidence heard from a number of witnesses supported this recommendation, highlighting that the lack of an overall co-ordinating body, lack of co-ordinated vision and strategy were a weakness for the city.

6.3 The former City Centre Manager advised that the previous town centre management initiative had worked well with retailers and the council and that overall it had been a success. Once the funding was cut back, the Brighton Crime Reduction Partnership (which rented out security radios to retailers and provided training) and the BID ran their own schemes. Neither of these schemes developed a town centre initiative.

6.4 Witnesses told the panel how the Business Forum lost funding streams which meant that it ceased its city centre management initiatives in 2010. This included losing both the Hove and Brighton Town Centre Manager (TCM) positions.

6.5 The panel heard that retailers can be hard to engage with as they are obviously concentrating on running a business. What is needed is a positive partnership between the council, business associations and individual retailers. The previous TCM role made regular visits providing information to retailers and acted as a conduit between the Council, traders and other linked organisations.⁷⁷

6.6 The Director of Metamorphosis expressed the view to the panel that the advertising of information on the council website was not enough and more face to face meetings with retail teams were needed, there was considerable sympathy for this view during much of the panel discussion.⁷⁸

6.7 There are a number of sources of information available to retailers: The Business Forum publishes weekly news through brightonbusiness.co.uk. Sussex enterprise is also seen as a good source of information for retailers. However retailers felt a single point of information and support would be extremely useful. Other suggestions the panel heard, were that the council could provide either "retail carers or retail officers" to provide face to face support for

⁷⁷ BID, 27/2/2012

⁷⁸ Metamorphosis, 6/3/2012

businesses, or the reinstatement of the TCM position.⁷⁹ Independents thought that communication with retailers needed to be improved by the council.

6.8 The panel were in agreement that a central point to go to for advice was needed, as currently traders felt there was no one they could go to for support. It was suggested that whatever form this extra support took it should build upon, and be hosted by existing support structures such as the BID.

6.9 The Chief Executive of the Business Forum submitted written evidence reporting that many independent retail owners have had no training on the running of a business and that there was a noticeable lack of business support for retailers.⁸⁰

6.9 Further feedback received stated that;

“It is shocking that a city the size of Brighton & Hove no longer has a City Centre Management team. The BID ('Brilliant Brighton') has a manager who is responsible for those streets/businesses within the Brighton town centre business improvement district, however since funding was cut from the Business Forum, we no longer have an organisation looking after the retail sector in the city. Having very recently met with the combined Town Centre Initiative and BID in Worthing, who run an impressive public/private partnership, there is an awful lot Brighton can learn from our smaller neighbours on how to run an effective, integrated city centre. Brighton needs an independent TCI immediately to represent city centre businesses – an identifiable person or persons who understand how businesses think and their needs (security, waste management, promotions, street cleansing...). This must have the support of the city council, even when it is critical of council actions or political policy”

6.10 Overall, whilst specific statements varied there was a clear message from the evidence gathered that retailers want more support and advice. They feel that the absence of a single coordinating body – both giving a strategic vision and drive, but also acting as an advice and support service – is a drag on what the city could be achieving. The panel were in strong agreement that some more coordinated support is required.

6.11 Whilst a town centre manager position may be the answer to some of the issues raised by retailers, it would seem sensible to base any increase in capacity to deliver these aims by building upon those structures already in place i.e. the BID, Business Forum or the Chamber of Commerce. What is clear is that the council and retailers

⁷⁹ The Guarana Company, and former City Centre Manager, 1/3/2012 & TN Lawrence & Son Ltd., 6/3/2012

⁸⁰ CE, Business Forum - 6/3/2012 Agenda

need to work together to develop a town centre strategy, and decide who owns it, resources it, and how to implement it.

- 6.12 It's worth noting at this point that the second recommendation of the Portas Review was to 'Empower successful Business Improvement Districts to take on more responsibilities and powers and become "Super-BIDs"'. There are approximately 120 BIDs in the UK which have an exceptionally high success rate. Although they are not the solution to all business areas. In 2007 there was insufficient support to establish a BID in Hove and strong opposition from Queen's Road and St. James's Street traders when there was a proposal to extend the BID to these areas, (though Western Road and Preston Street were added to the BID area).⁸¹
- 6.12 The council does already run schemes to promote retail, two recent examples being 'Dress for Success' and 'Ride the Wave'. Both proved popular with retailers and helped to raise the profile of smaller stores.

City Centre Strategy/ City Plan

- 6.13 The City Plan is currently under development and will include sections on retail and the city centre. Clearly the city centre strategy would have extremely strong synergies with the City Plan, with the two documents supporting each other.⁸²
- 6.14 **Brighton Centre and Churchill Square Area and Retail Provision**
One of the priorities of the City Plan is the redevelopment of the Brighton Centre. This is to ensure that it delivers a minimum of 20,000 sq m new retail floor space as an extension of Churchill Square to secure the city's role as a primary regional shopping centre within the South East. The Regional Centre (which is the regional shopping centre- Churchill Square in Brighton) covers the interconnecting shopping streets from Churchill Square/Western Road to Montpelier Road, Holland Road, Brunswick Town, Queens Road/West Street, the Lanes, Duke Street, East Street, North Laine and North Street. The council recognises the role of small independent retailers in maintaining the Regional Centre's viability and attractiveness. There is potential to improve the pedestrian environment (general appearance, pavements and street furniture) and the size and mix of retailer representation.
- 6.15 The opportunity to develop a new department store to attract new retailers into the city needs to be investigated. There is support for the protection of existing shops and the provision of new small retail premises, mainly for independent traders within the Lanes and North Laine. The balance of mix of retailers will continue to be monitored.

⁸¹ CE, Business Forum - 6/3/2012 Agenda

⁸² BID Manager, 27/2/2012, Former City Centre Manager, 1/3/2012 and CE Business Forum, 6/3/2012

- 6.16 *The Brighton & Hove Retail Study Update 2011* identified that in accordance with Government policy the council would prefer to direct retail applications to the town centre in the first instance.⁸³
- 6.17 The BID Manager emphasised that the Portas Review recommended that Town Teams were required to invigorate high streets. The team would consist of the TCM, landlords, BID's, retailers, police, the council and residents who would collaboratively work together to identify positive ways forward to build high-streets fit for the future. Town Teams would be coordinated by the TCM, but currently this role did not exist and arguably the city now had a greater need for one.⁸⁴ Equally, the former City Centre Manager felt that the council was going against the recommendations of the Portas Review by not supporting city centre management.⁸⁵
- 6.18 The Chief Executive of the Business Forum mentioned that Town Teams" as referred to in the Portas review were unfortunately something of the past. Previously councils had supported town centre management schemes, but with the introduction of BIDs such schemes were largely redundant. Also councils have had to reduce their financial support to a variety of services.⁸⁶
- 6.19 The panel believed that a retail strategy could give the city a chance to plan strong visual retail quarters with vibrant "retail-tainment" areas.⁸⁷ This could include landlords working with city partners to prevent empty shop units e.g. "avoid the void", gathering information on potential tenants and having the council's planning team on board with responsive changes to the class use of buildings.

Summary

- 6.20 It is clear that some form of increased coordination and support is required, building upon existing structures. The panel came to no firm conclusions as to how this increased capacity should be resourced. Clearly at a time of fiscal constraint recommending extra recruitment by the council is perhaps unlikely and as discussed previously there is some debate as to whether this is something the council should be funding anyway, or whether retailers themselves need to resource such capacity.
- 6.21 After all the evidence heard the panel decided to recommend the following:

Recommendations 6

Resources need to be found to provide coordinated support and advice for retailers; this should build upon the work of the current

⁸³ http://www.brighton-hove.gov.uk/downloads/bhcc/ldf/cp_Cabinet_version.pdf

⁸⁴ BID, 27/2/2012

⁸⁵ Former City Centre Manager, 1/3/2012

⁸⁶ CE, Business Forum - 6/3/2012 Agenda

⁸⁷ Metamorphosis, 6/3/2012

BID and responsibility for developing and implementing a Citywide Retail Strategy; consideration needs to be given as to how best to undertake this in conjunction with contributions from retailers themselves.

Recommendation 7

Ways for improving communicating with retailers need to be developed; a single point of contact for retailers should be developed and promoted that allows retailers to access all the information and support they require. This should include information on rent reviews, trading standards etc.

7. Traders Associations and the BID

- 7.1 In the evidence heard by the panel there was a general, but by no means unanimous, agreement amongst traders as to the benefits of belonging to a trade association or the Business Improvement District (BID).
- 7.2 The BID, known as 'Brilliant Brighton', is funded from contributions by businesses and the council. It is a defined geographical area within which all the traders paid a levy to fund improvements to their trading environment.
- 7.3 Over the next five years £1.8m will be invested in the Brighton city centre by its traders through the BID. The first Brighton BID was established in 2006 and funded a range of initiatives such as Christmas lights and promotional events such as dressing the city in the summer with hanging baskets and buntings as well as on-street security.
- 7.4 In 2011 city centre businesses voted to extend the BID for another five years. The new BID now includes 517 retail and hospitality businesses, and the geographical area it covers has been expanded to include Preston St, Western Rd and the southern end of East St.
- 7.5 A number of teams within the council work closely with the BID team to support its activities, and the council's Economic Development Manager, Cheryl Finella, sits on the BID board.
- 7.6 In addition the BID looked to reduce overheads by bulk buying procurement schemes, such as gas, electricity, refuse collection and phone bills, which made significant savings for businesses. The BID also adds value by partnership working; has negotiated reductions in parking permits with NCP car parks and City College customer care courses. Even though the BID levy was challenging for businesses, they could see the benefit of it.
- 7.7 Other areas like Hove could belong to the BID but the business community would need to decide this. When previously consulted, there has not been an appetite for further expansion.
- 7.8 The BID had strong links with the North Laine Trader Association and had supported the set up of Preston Street Traders' Association.⁸⁸
- 7.9 The investments made by the BID had a positive impact to shoppers, visitors and the city as a whole. Dressing the city schemes made the area look more vibrant, welcoming and attractive to visit.
- 7.10 A number of retailers who were either not in the BID or a Traders' Association, wanted to be part of one so were trying to start traders'

⁸⁸ BID, 27/2/2012

associations in their areas. These retailers had been either part of associations in the past, or were aware of the good partnership work that the BID was carrying out as well as the strong lobbying potentials for procuring discounts and the benefits of information sharing which goes on within such associations. It was agreed by all the witnesses that there was “*strength in numbers*”.⁸⁹

- 7.11 However it should be noted that some organisations voted against joining the BID, but had to be part of it due to larger numbers voting for the BID. A retailer expressed their view to the panel that initially he voted against the BID, but was most impressed by the work carried out since being a member and would now want to extend the BID area to Hove.
- 7.12 Trading Associations were normally operated by businesses who dedicated their free time to improving their area or street. These associations could provide the following: work on marketing and promoting the area, website provision to promote retail offers, negotiating rates, business planning and accountancy advice. These were all highly useful skills for any businesses to gain or make use of. In particular sharing knowledge about rents gave traders an upper hand about what they should be paying for their properties when rent reviews were due.⁹⁰
- 7.13 The Federation of Small Businesses (FSB) was also another organisation that retailers could join. For the membership, businesses had banking services, legal advice and competitive contracts, business support through area partnerships and membership to networks.⁹¹ The Business Forum also supported traders with procurement.⁹²
- 7.14 Some traders did not feel the levy paid to the BID or trading associations were value for money. However it was recognised the power of working collectively, for example Sydney Street in successfully organising their own Christmas decorations had created a street-market style atmosphere when the road was closed at weekends.⁹³
- 7.15 The role of larger retailers within traders’ associations was explored by the panel. Tesco representatives advised that they encourage store managers to play an active role in local traders’ associations, as they see larger stores as anchors to local retail areas and as such there is a mutually beneficial relationship to be had in creating a successful area.⁹⁴

⁸⁹ Red Bed Company, Cocoon and Willow, 27/2/2012, Former City Centre Manager, 6/3/2012, Metamorphosis, 6/3/2012 and Graves Jenkins private meeting

⁹⁰ Temptations Café, (NLTA), 27/2/2012 and TN Lawrence & Son Ltd., 6/3/2012

⁹¹ FSB and Red Bed Company, 27/2/2012

⁹² TN Lawrence & Son Ltd., 6/3/2012

⁹³ The Guarana Company, 1/3/2012

⁹⁴ Tesco, private meeting

- 7.16 However there is some anecdotal evidence that some stores haven't been as active in supporting other local traders as they could be. Clearly contributions and interest will vary between stores, though support from larger companies such as training and advice was welcomed by independents.

Summary

- 7.17 Retailers are trying to be as cost effective and keep their overheads to a minimum. The panel heard how it was advantageous for independents to be part of a trading association, or the BID, as they offered free bulk procurement contracts which could reduce utility costs. An example was that one trader managed to save £1,000 per annum through such a scheme. The panel wondered whether there was the opportunity to offer this on a wider scale for retailers who were not part of the BID or a trading association.⁹⁵
- 7.18 After all the evidence heard, the panel decided to recommend the following:

Recommendation 8

The role of Traders' Associations and the BID in supporting and securing benefits for their members are very evident; the Council should work with and support such groups.

The council should be in touch with large stores, reminding them of opportunities for their increased support to independents across the city.

⁹⁵ CE, Business Forum - 6/3/2012 Agenda

8. Larger Multiples

- 8.1 Multiples, depending on your point of view can be seen as ‘anchor’ around which other retailers can flourish, or a major threat to the viability of high streets and a menace that needs to be contained.
- 8.2 The Portas Review makes recommendations with regard to multiples, these are:
- Large retailers should support and mentor local businesses and independent retailers
 - Retailers should report on their support of local high streets in their annual report
- 8.3 Feedback received from residents and independents was that multiples were rapidly moving into high streets. This was changing the character of their high streets which were losing some of their individual identity, causing tension between the two types of retailers.
- 8.4 Other evidence highlighted how multiples and independents were working successfully in partnership through the BID. BID businesses had worked together to deliver a shared objective, which was the delivery of the BID business plan i.e. Dressing the City.⁹⁶
- 8.5 A number of smaller retailers stated they would welcome training and support from larger stores, for example in marketing or displays; representatives from Tesco also stated that were keen for their stores to support local retailers in much the same way.
- 8.6 The FSB Development Manager expressed the view that partnership working with multiples and independents could work through forming retail quarters and traders’ associations. These areas could manage their own arrangements for their area, by providing mentoring advice and support to retailers in that quarter.⁹⁷
- 8.7 The Director of Metamorphosis expressed the view that councils needed to be forceful with multiples to work more collaboratively with other retailers. More creative thinking was needed by all retailers and for both multiples and independents to work in synergy. There was power in numbers and strong partnership work was the key; BIDs were a good example of this and a number of multiples were also good in this way.⁹⁸
- 8.8 The panel heard from Tesco’s that they worked hard to engage with local traders positively when they entered a new high street. There was room for smaller retailers to succeed alongside the multiples and entrepreneurial shops would always prosper.

⁹⁶ BID, 27/2/2012 and former City Centre Manager, 1/3/2012

⁹⁷ FSB, 27/2/2012

⁹⁸ Metamorphosis, 6/3/2012

- 8.9 Tesco were of the opinion that it was important to invest in the surrounding community and environment to keep the high street attractive, as it was mutually beneficial to them and all retailers.
- 8.10 The panel were informed that company policy was to support independents and regularly give advice on how to dress their windows, how to promote offers, marketing and setting up Traders' Associations. Tesco's already worked closely with the Police on age-restricted sales of alcohol and could possibly offer support to other retailers in the prevention of underage alcohol sales.
- 8.11 Tesco's would support urban villages like Hove and Kempton to promote a clean and smart environment. Store Managers were encouraged to get involved in the local community and the company was keen to progress this further.
- 8.12 There were over 600 "Community champions" in the company. These champions worked up to 18 hours a week in assisting the local community in the local area. The Hove store had an active community champion.
- 8.13 Involvement, and participation in community events was important for the multiple and the Queen's Jubilee and the Olympics presented an opportunity for partnership working.
- 8.14 There was plenty of strong feeling evident regarding the impact of multiples on high streets:
- Strong competition from multiples which threatened the vitality of their business⁹⁹
 - Multiples paid higher rents. Landlords would use this to set a precedent at independent rent reviews and increase the rents of independents accordingly.¹⁰⁰
 - With multiples moving into the high street it was important to prevent a homogenous high street that looked like any other city¹⁰¹
 - It was doubtful that they could work together as they were in competition with one another¹⁰²
- 8.15 There was a strong narrative prevalent throughout discussions on the impact of multiples, arguing that independents *could* compete on service, local produce sourcing, customer knowledge and a unique offer.¹⁰³

⁹⁹ Red Bed Company, 27/2/2012

¹⁰⁰ Temptation Café (NLTA), 27/2/2012

¹⁰¹ FSB, 27/2/2012 and The Guarana Company, 1/3/2012

¹⁰² The Guarana Company, 1/3/2012

¹⁰³ CE Business Forum, 6/3/2012

- 8.16 Independents had strong entrepreneurial skills and skill enhancements compared to multiples, as staff working for multiples tended to do one job role and were not always multi-skilled.¹⁰⁴

Other evidence

- 8.17 *“Big business isn’t always a bad thing. Brands are welcomed to areas which require regeneration such as London Road, yet are attacked when they look to open in other areas of the city. Supermarkets and convenience stores are here to stay: people like them, we all use them, they do what they do so very well. Perhaps it would be better to engage with them. Encourage them – through legislation if possible – to support community groups, to stock more local produce (perhaps as a condition of their liquor license?). Our city centre only has Christmas lights because the businesses within the BID choose to pay for them, and I dare say that the multiples along Western Road are heavily subsidising the lighting infrastructure of North Laine through their financial contribution. Brighton is renowned for its ‘different’ thinking so let’s think differently rather than throw all of our toys out of the pram every time Tesco or Starbucks are mentioned.”*
- 8.18 Evidence was received from the Education Business Partnership on community projects that Sainsbury’s in Lewes Road had been engaged with. These included:
- Sponsoring £500 per annum for Safety in Action Week for 600 Key Stage 2 students who were transferring from primary to secondary education.
 - The recent national ‘Youth Can’ project to enable young people from age 16 to join the organisation for a training and development programme.
 - Working with Special Educational Needs (SEN) students from Hillside, Downsview Schools and Downs Link College
- 8.19 Multiples requesting to take over an empty property cannot be rejected by the council. In some cases where this has happened, multiples with strong legal representation had taken applications to appeal and won. The Planning Service has to remain neutral when applications are made and look at the use rather than the retailer itself.
- 8.20 Recommendation 7 of this report explored retailers’ needs for more support and information. The council was not the only source where independents could gather evidence and advice. Multiples were experienced in merchandising their stores, promoting offers, dressing windows, managing and training staff and business planning. Independents could utilise this knowledge by approaching multiples.

Summary

- 8.21 Independents wanted support and training from multiples. Tesco’s company policy was to work with independents and offer support with

¹⁰⁴ Metamorphosis, 6/3/2012

setting up traders' associations to training on the promotion of retail offers. Evidence was heard from traders in George Street, Hove that they wanted to set up a traders' association and as yet had no success in doing so.¹⁰⁵ There is a huge opportunity for Tesco's to take this forward and lead on such a venture, plus offer training and support. This would cement their relationship with the local community.

8.22 There was also a call for a trading association at Portland Road¹⁰⁶ and Sainsbury's could once again lead on this for that area.

8.23 After all the evidence heard the panel decided to recommend the following:

Recommendation 9

Larger multiples should be invited to join local traders' associations and support other local retailers with training, for example marketing, age-restricted sales, etc.

¹⁰⁵ Cocoon and Willow, 27/2/2012

¹⁰⁶ Red Bed Company, 27/2/2012

9. Planning and Localism

- 9.1 During the evidence-gathering sessions there was debate as to whether it would be beneficial for it to be easier to change the use class of a property. Some witnesses wanted a more flexible system to promote new start-ups; others however wanted more restrictions to ensure areas retained unique characteristics.
- 9.2 There is an inherent paradox in wanting fewer controls to enable easier start-up and encourage growth and then seeking to restrict the type and location of retailers.
- 9.3 The Portas Review has three relevant recommendations with regard to planning. These are to:
- Address the restrictive aspects of the 'Use Class' system to make it easier to change the uses of key properties on the high street
 - Make explicit a presumption in favour of town centre development in the wording of the National Planning Policy Framework
 - Introduce Secretary of State "exceptional sign off" for all new out-of-town developments and require all large new developments to have an "affordable shops" quota
- 9.4 The BID Manager suggested that the National Planning Guidelines needed to take a more holistic view of planning, to make it easier to change use classes for key properties on the high street.¹⁰⁷
- 9.5 There was also a need to open empty properties for short term lets such as 'pop up' shops, art installations, theatre groups, and shared premises to enable independents to invigorate the high street.
- 9.6 The BID Manager expressed a view that to facilitate a more productive high street it maybe necessary to lobby government to change planning laws on the class use of premises.
- 9.7 The FSB Development Manager confirmed that the council's planning department needed to ensure a balanced retail offer and restrict multiples as it kills the unique shopping experience.¹⁰⁸
- 9.8 The former Town Centre Manager believed that the city would need to reinvent itself and change retail accordingly. For example the potential for small new businesses to open as a cooperative in one site.
- 9.9 The Head of Planning & Pubic Protection said that supermarkets did not always need planning permission to occupy existing shops. The Town & Country Planning (Use Classes) Order does not distinguish between the different types of A1 shops. (A1 shops are defined as shops, hairdressers, undertakers, sandwich bars, dry cleaners; A2

¹⁰⁷ BID, 27/2/2012

¹⁰⁸ FSB, 27/2/2012

financial and professional services: banks, estate agents, employment services; A3 restaurants and cafes; A4 pubs and bars; and A5 hot food takeaways, drinking establishments etc.).

The Order also takes no account of their ownership or their leasing arrangements. This means that multiples can open in any empty A1 site. A Class Use Order does not control the mix of A1 units nor the balance between independent shops and multiple stores.

- 9.10 The Head of Planning & Public Protection confirmed that regulations currently cannot support independent retailers by preventing larger stores locating to an area. Multiples requesting to take over an empty property cannot be rejected by the council. In some cases where this has happened, multiples with strong legal representation had taken applications to appeal and had won. The Planning Service has to remain neutral when applications are made and look at the use class of the property rather than who the retailer was - for example Starbucks in Kempton.
- 9.11 The Head of Planning & Public Protection confirmed that changes to regulations were needed to enable empty shops to be used more creatively. If there was insufficient regulation then the council should lobby central government for a change to the use class order to allow councils to change former premises to more creative units.
- 9.12 The Head of Planning & Public Protection confirmed that with the introduction of the Localism Bill, neighbourhood planning presents an opportunity for a greater understanding of the character of specific areas, and to link it to an overall strategy for the city in the form of the City Plan.
- 9.13 Currently the Use Class Order is designed to protect the high street by having a proportion of properties that are A1-A5. This is done to protect retailers by giving them a good mixture of restaurants, cafes, pubs, banks and shops. It is not possible to swap the use class of vacant properties in order to protect the high street from being overly dominated by a single class of property. The Localism Bill would give councils the flexibility they needed to change areas according to their needs or uses, thus enabling councils to promote the character of different shopping areas.
- 9.14 Both the Chief Executive of the Business Forum and a commercial agent expressed the view that if larger stores decide to have “showroom” style shops, in order to showcase their on-line presence, these stores may require smaller premises and may want to move into the better secondary locations. The pace of such developments was dependent on improvements to home delivery.¹⁰⁹

¹⁰⁹ CE Business Forum, 6/3/2012, and Graves Jenkins, private meeting

- 9.15 The Chief Executive of the Business Forum submitted information suggesting that “...while the city has avoided the “Clone Town” similarity of other locations, it has lost some of the quirks and diversity evident in the 1990s that made it stand out. “
- 9.16 “There is a case for reviewing the default use class of ground floor developments in the city centre and also for reviewing the existing use class of retail units in streets that have a high vacancy rate e.g. Preston Street. Would a change of use from A1 shops or A3 (restaurants) to B1 (office) for some long- term empty units attract tenants that would bring footfall to the street to avoid the dead frontages of empty units? Could this provide inexpensive accommodation for the creative industries sector?
- There was no requirement for more small shop units but they are normally added to new developments as part of the planning process because it is felt that retail at ground floor level adds a sense of security to the street scene”.*¹¹⁰
- 9.17 Further evidence suggested that the council could help support retailers if there were more resources to process planning applications. This is because there was concern at the length of time these applications took to complete. Potential retailers who were planning to share premises were normally unaware that it would take three months to change the class use of a property to a retail usage.¹¹¹
- 9.18 Evidence from the council questioned whether there were unreasonable delays within the system, which by its very nature had to follow a well defined decision-making process.
- 9.19 There was a debate regarding the danger of rapid changes of use as economies fluctuate. For example, during a recession office buildings can stand empty for periods of time. However rapidly turning such property into accommodation or retail space makes it harder for businesses to start up once the economy picks up; as such some regulation of use is required and of benefit.
- 9.20 The Director of Metamorphosis highlighted that 70% of people worked and spent their time, in town centres. A mix of services could therefore really invigorate an area – for example post offices, dentists, nurseries could all be successfully located within city centres. Equally, other key city components needed to be identified so it was important to have the right presence and mix of services, shops, entertainment, restaurants and bars.¹¹²

Other evidence:

¹¹⁰ CE, Business Forum - 6/3/2012 Agenda

¹¹¹ Graves Jenkins, private meeting

¹¹² Metamorphosis, 6/3/2012 and Tesco, private meeting

“Stop allowing supermarkets and large chains to open, it ruins the character ...”

“Protect independent and local businesses. Put a stop to supermarkets spouting like weeds at every corner...”

“Find a way to stop supermarkets opening stores everywhere....It costs a fortune to live, drive, socialise etc. in Brighton and we all put up with cost because the city has so much character but now I pass 4 Sainsbury’s and 3 Tesco stores on my way to work, it’s getting depressingly like much cheaper high streets out there”

- 9.21 A review carried out by the Department for Communities and Local Government ¹¹³ showed that planning processes could be shortened. The planning service should consider investigating such a study if they had not done so already.
- 9.22 The panel had heard how multiples would pay more for their properties as they could generate an increase in footfall due to brand recognition. This had a knock on effect to retailers in that landlords would use the location or site of the multiple to increase rents of independents in the same vicinity. The panel wondered if it would be possible for the council’s Planning and Property Services to work together with landlords to reduce the potential impact of increased rents to independents? This maybe a complex process but would support retailers with one of their most significant costs.

Summary

- 9.23 A number of witnesses felt that the ability to rapidly change the class-use of a building would be advantageous for businesses. It was however pointed out that this could also have a negative impact on an area. The panel felt that consideration should be given to ensure that sufficient flexibility is built into the system to rapidly allow suitable start-up businesses to move into premises, even if this meant a change of use. ¹¹⁴
- 9.24 The council need to investigate ways that the Localism Act could be used to prevent further multiples moving into the high street to preserve the character of that area.
- 9.25 After all the evidence heard the panel decided to recommend the following:

Recommendation 10

The Council should explore planning options to exploit new ‘localism’ powers to support retailers through increased flexibility and responsiveness.

¹¹³ http://www.planningportal.gov.uk/uploads/kpr/kpr_final-report.pdf

¹¹⁴ Graves Jenkins, private meeting

10. Street Markets

- 10.1 The Portas Review spoke highly of street markets and how they drew in a regular weekly crowd, created a vibrant atmosphere and encouraged people to stay longer.¹¹⁵ The following recommendations refer to street markets:
- Establish a new “National Market Day” where budding shopkeepers can try their hand at operating a low-cost retail business
 - Make it easier for people to become market traders by removing unnecessary regulations so that anyone can trade on the high street unless there is a valid reason why not
- 10.2 The panel heard a number of contradictory views on street markets to the extent it became known as the ‘marmite’ issue.
- 10.3 Preston Street in Brighton had a high desire to have a Preston Street Food Festival. The council insisted that 75% of residents and businesses must be in favour of the street market, before it could be considered. The BID Manager believed that involvement from retailers was crucial, and the council should offer retailers free pitches as they already paid business rates, thus working in partnership.¹¹⁶
- 10.4 The Red Bed Company, Portland Road expressed a view that a weekend market would help attract more shoppers to the area.¹¹⁷
- 10.5 Suggestions from the FSB, Development Manager highlighted that markets needed to complement businesses, be of a high quality and that street entertainment should also be considered. It was important that the street markets were diverse and that the council worked collaboratively with these markets to showcase fledgling retail.
- 10.6 The owner of the Guarana Company told the panel how his business had evolved from London markets and festivals. Markets were a diluted retail offer and were the ideal place to trial a new business.
- 10.7 At weekends when Sydney Street was pedestrianised traders brought out their stock onto street stalls. This had a positive impact for both traders and customers¹¹⁸ and created a market style atmosphere.
- 10.8 The former City Centre Manager believed that the food festival was a successful market.
- 10.9 Upper Gardner Street was also considered to be a successful market which sold merchandise that complemented the retailers in that

¹¹⁵ Former City Centre Manager, 1/3/2012

¹¹⁶ BID, 27/2/2012

¹¹⁷ Red Bed Company, 27/2/2012

¹¹⁸ The Guarana Company, 1/3/2012

area.¹¹⁹ This street was predominantly residential and warehouse properties. No retailers were located on this street.

- 10.10 There were also a number of businesses opposed to street markets, most notably traders from Sydney Street, Brighton and George Street, Hove.¹²⁰
- 10.11 Evidence highlighted that the Food Festival had had a negative impact, on existing food retailers in the North Laine area resulting in a 53% decline in takings on the previous year, for that Saturday. The stalls in the Food Festival provided direct competition to those trading in the North Laine. It was felt by some retailers that this amounted to unfair competition.¹²¹
- 10.12 The owner of Willow identified that in October 2010 a farmers' market had started in George Street. However the council only had powers to licence traders and markets and could not limit the goods on sale in the market. It therefore did not have powers to intervene in the operation of the market. The result was that different stalls opened, which were not part of the original remit, selling the same merchandise as retailers already in the area but cheaper due to their smaller overheads. Retailers' takings decreased significantly on those days the market was in operation.
- 10.13 It was suggested that the George Street market and the French markets were both unsuccessful as they either took footfall away from traders or competed against existing traders.¹²²
- 10.14 The Chief Executive of the Business Forum identified how *“street markets could be controversial, in that they attracted large crowds and enhanced the street scene but retailers often resent them because they disrupt trade and compete against bricks-and-mortar outlets that attract the footfall that makes the location attractive to stall holder in the first place. There is often feeling that stall-holders “ride on the coat-tails” of permanent retailers without giving enough in return”*.¹²³
- 10.15 The panel also heard that in general market traders should not sell goods which compete with existing retailers, should locate where access to traders was not impeded, have high calibre stalls which add to the street scene, be professionally managed and rigorously enforced as some stall holders would exceed their licence conditions if allowed. It was important to draw up detailed guidelines and if stall holders did not agree to these, then they would be prohibited from opening a stall.¹²⁴

¹¹⁹ Willow, 27/2/2012

¹²⁰ BID, 27/2/2012

¹²¹ Temptation Café (NLTA), 27/2/2012

¹²² Former City Centre Manager, 1/3/2012

¹²³ CE, Business Forum - 6/3/2012 Agenda

¹²⁴ CE, Business Forum - 6/3/2012 Agenda

Food Festival

- 10.16 The former City Centre Manager expressed the view that there should be more support for initiatives like the Food Festival (which was run by volunteers) and home grown arts festivals. The Food Festival on New Road brought in 40,000 people over the weekend and a cost of £1600 for the use of council land. It was suggested that the council should be paying for the event.

Other evidence

- 10.17 *“Themed event markets (ie; Food Market/Chilli Festival/Chocolate Festival etc.) are good, but too expensive for locals to trade at, with little or no profit achievable due to expenses and variables such as the weather.”*

“Markets should be contained to the New Road area away from the shops to avoid taking business from the permanent retailers”.

In reference to the Food festival – *“Always happy to talk with any local food business as to how they can become successfully involved with the festival and make a worthwhile return.”*

From the food festival’s perspective, it never fails to amaze me how little support ...we receive from our city council in terms of supporting and promoting small growers, producers and restaurants. Food festivals across the UK are at the heart of local authority economic development policies whereas here we appear to be little more than an inconvenience to the council.

- 10.18 The Head of Regulatory Services advised that poor regulatory delivery can hinder businesses so it was important that the council’s enforcement policy included targeting non-compliance, transparency and consistency.
- 10.19 The city’s street trading policy was reviewed in 2008. Currently, New Road held themed street markets and Upper Gardner Street had a weekly Saturday market.
- 10.20 The council cannot restrict the type of goods within any markets. Complaints were raised by George Street businesses that the monthly farmers’ market variety of goods had increased, which meant that they were in direct competition with the George Street retailers.
- 10.21 A charge for a stall at a farmers market was £252 pa. Or £34 per stall per occasion, which mainly covered administration costs.

10.22 Successful farmers' markets worked when they were part of an established circuit of cities such as Chichester and Portsmouth. The George Street market had suffered from not being part of this circuit.¹²⁵

Summary

10.23 Street markets had a "marmite" effect in Brighton & Hove. Sufficient evidence was provided of negative experiences and that the key to a successful market was stringent management. With current and possibly future legislation not giving powers to the council to manage street markets, it would fall upon retailers or a market manager to carry this out.

10.24 It was important that retailers needed to be involved in the setting up and scrutinising of the market to ensure that their livelihoods were well protected. Some successful markets had full time volunteers operating them as it was a time consuming venture. If retailers wanted to consider opening a market it maybe best to contact the council for some initial advice, or talk to successful weekly markets like Upper Gardner Street.

10.25 After all the evidence heard the panel decided to recommend the following:

Recommendation 11

Street markets should be developed only where they are supported by a majority of local retailers. Street trading controls cannot regulate the goods for sale so great care must be given to decisions permitting new street markets. Existing retailers need to be protected from stalls obstructing shop entrances. The Council should lobby government for increased powers to regulate street markets.

¹²⁵ Head of Regulatory Services, 1/3/2012

11. Marketing of our Retail Offer

- 11.1 A number of retailers said that they felt they were the poor relations when it came to advertising what Brighton and Hove has to offer and that the city wasn't maximising the opportunity its unique retail offer presented.
- 11.2 Witnesses spoke to the panel about what an exciting retail experience the city has to offer. That Brighton & Hove was an area that once found by shoppers and visitors it would be revisited, due to its independent stores and atmosphere. Independents told the panel they didn't always feel that the retail sector was marketed to its full potential.¹²⁶
- 11.3 The Red Bed Company and others expressed a view to the panel that there was the potential to advertise independents and their retail areas at bus stops, the railway station and car parks.¹²⁷
- 11.4 The FSB Development Manager suggested creating joint on-line promotional offers loyalty scheme to attract shoppers.¹²⁸
- 11.5 The panel heard from the former City Centre Manager who advised that the main promotional VisitBrighton website was predominantly funded by hotels and city attractions. The website then focussed its efforts on promoting those businesses that funded it. The council's tourism website used the VisitBrighton weblink to promote the city.¹²⁹
- 11.6 VisitBrighton is the official tourism organisation for the city. It has links to the national and regional tourism organisations. VisitBrighton supports over 18,000 actual jobs in the city and is worth more than £700m to the local economy.
- 11.7 The two official Visitor Information Points are at Brighton Toy & Model Museum and Brighton Pier.
- 11.8 VisitBrighton.com receives over 1.5m unique visitors to the site each year and holds the number 1 ranking position on search engines (including Google) for a multitude of key search terms.
- 11.9 It was suggested that the current iPhone app – a mini guide to the city, was overpriced at £1.99 and that a free to download app would provide visitors with information on city attractions and the location of specific shops. They could search such an app for specific types of shop, such as shoe shops, and then be directed to all shops selling relevant products.

¹²⁶ Temptations Café , (NLTA), 27/2/2012

¹²⁷ BID, Red Bed Company, 27/2/2012 and TN Lawrence & Son Ltd., 6/3/2012

¹²⁸ FSB, 27/2/2012

¹²⁹ Former City Centre Manager, 1/3/2012

- 11.10 The Director of Metamorphosis believed that creative projects like “Dress for Success” raised a collective awareness with the publicity and exposure it generated, for example 1000 people participated in the competition to vote for winners. This was an excellent way of getting shoppers to visit stores.¹³⁰
- 11.11 There was already a lot of good work being done to advertise the city’s retail sector. For example the *Time Out* Christmas publication highlighted that Brighton & Hove was an ideal Christmas gifts shopping destination.¹³¹ The council should continue to market the city in national newspapers and on the radio. It would be useful to build on this and ensure that other areas of Brighton & Hove are promoted in the same way, through the use of social media and QR codes. This would help support independent retailers.
- 11.12 VisitBrighton commented that they undertook marketing for the whole city and that the unique retail offer was a fundamental part of the wider tourism economy. The equivalent value of advertising exceeds £2.5m per annum. This included undertaking significant amounts of PR and media work on behalf of the city, which included celebrating and showcasing the city’s retail offer. Over a hundred press trips are conducted each year and one of the aims of almost every one of these events is to ensure that journalists explore the key retail offer.
- 11.13 VisitBrighton produces the official city map for visitors to the city. This was redesigned this year to ensure that the main shopping streets were highlighted for visitors and included within the Welcome panel of the map. Additionally the map includes a list of all VisitBrighton partners, including retailers. For 2012 the front cover of the map features an image of one of the main shopping streets in the North Laine.
- 11.14 VisitBrighton confirmed that they offered the facility for any Partner business to post special offers and discounts on its website for visitors. Additionally the website runs a Partnership scheme for businesses which affords specific promotional opportunities for those who wish to participate (tourism is not a statutory requirement of the authority). The Partnership scheme generates income of approximately £125K each year . The pricing of the Partnership scheme is structured to enable participation by all sizes and types of business.
- 11.15 The Partnership structure meant that larger businesses paid more than smaller ones. This did not mean that the retail sector was marketed less than the sectors who paid more. It was felt that this system was right, and fair, so that those who contributed to VisitBrighton’s work were able to benefit directly from it.

¹³⁰ Metamorphosis, 6/3/2012

¹³¹ The Guarana Company, 1/3/2012

- 11.16 The income generated via the Partnership scheme is ring-fenced and reinvested back into the marketing of the city, including press and PR, and web development. Whilst the majority of the funding comes from accommodation and attraction partners (due to the size and nature of those businesses), the retail businesses feature in the same way as other larger sectors. There is a dedicated shopping section on the site – which is the third most popular section of the site. This section covers all areas of the city including The Lanes, North Laine, Churchill Square, Hove and Kemptown among others. The website also provides links to trading association sites such as the North Laine Traders' Association and the Hove Business Association.
- 11.17 The total marketing budget for VisitBrighton (including Partnership fees) is less than £200K pa and is reducing year on year. This budget covers every aspect of marketing the city, including press and PR, leisure and business, UK and international, on-line and offline and trade development. The marketing budget for Brighton & Hove is far less than most other UK destinations of similar stature and importance.
- 11.18 The VisitBrighton website contains over 1,500 pages of content. The website endeavours to ensure that the accuracy of information held within the site is as up to date as possible and to respond positively and speedily to feedback regarding out of date information. The information is provided directly by Partners, which means that the website is reliant on those businesses to provide accurate and inspiring details for the site. Partner information is updated annually as a matter of course, but there is also the opportunity for businesses to update their information at any time.
- 11.19 The initial development of the iPhone app, meant that a charging structure had to be introduced which was comparable to similar apps across the UK. It is hoped that the VisitBrighton app will be made free of charge from this summer 2012. At the same time a free android app will also be launched. Without the revenue to offset the costs of development, VisitBrighton would not have been able to launch the app.
- 11.20 In addition to the iPhone app, VisitBrighton has also launched an interactive video map which includes seven videos of different areas of the city.
- 11.21 Further retail promotions offered by VisitBrighton include the introduction of the "Shopping Showcase", the involvement in the Dress for Success campaign and funding of the Time Out Christmas publication.
- 11.22 The panel heard that one of VisitBrighton's objectives is to ensure that all areas of the city are represented. Core funding for development work is challenging which means that the Partnership fees allow the

company to continue to market the city both nationally and internationally.

- 11.23 Feedback data from web users of the site shows that 86% of visitors in 2011 rated the site 'excellent' or 'very good' in terms of being up to date, and 88% rated the site as 'excellent' or 'very good' in terms of its overall impression of the city.

Summary

- 11.24 More needs to be made of the city as a destination for a unique shopping experience. Traders and VisitBrighton could work more collaboratively in the further promotion of the city's retail offer.
- 11.25 The panel heard how the VisitBrighton website for Hove needed updating and that Brighton retailers were presented in more detail.¹³² It was felt that VisitBrighton should check their website was up to date and ensure that retailers were represented and promoted from all areas of the city. Retailers also need to take responsibility in ensuring the website is promoted with accurate information.
- 11.26 After all the evidence heard the panel decided to recommend the following:

Recommendation 12

The marketing of Brighton and Hove needs to ensure that it makes the most of its retail offer. Retailers felt that they were often the poor relation on many marketing campaigns.

¹³² TN Lawrence & Son Ltd., 6/3/2012

12. Retail Quarters

- 12.1 Evidence showed that traders were keen to promote and form retail quarters in different areas of the city. The idea being that creating a unique marketable identity can greatly aid promotion.
- 12.2 Identifying retail quarters could have benefits to small independents; the quarters could develop their own individual identity and atmosphere or have specialist retail stores. Successful areas like the Lanes, North Laine, and Kemptown were very well established already. Other areas however could benefit from being seen as distinct shopping quarters, perhaps creating specific retail offers or differentiating their area in some manner.
- 12.3 The panel heard evidence from the Red Bed Company how Portland Road could be identified as a retail quarter to help promote the independents in that area.¹³³
- 12.4 The FSB Development Manager expressed a view that by forming retail quarters or zones, these could form virtual communities, and these partnership groups could form their own arrangements, invest and revitalise the infrastructure of the quarter, creating mentoring and support advice for retailers in that zone.¹³⁴
- 12.5 The Director of Metamorphosis told the panel that a bold retail vision, promoting the same style shops was needed to promote shopping zones. Large 'multiples' used this principle to predict the future of retail.¹³⁵
- 12.6 The panel heard how 'multiples' could support urban villages; which had a different feel to city centre high streets. 'Multiples' could play a key role in these types of development and could be used as advice and support hubs.¹³⁶
- 12.7 A suggestion heard by the panel was that the retail quarters could be identified by hanging colour coded banners from the street lights.¹³⁷ Much in the same way as the city has been promoted during the Council of Europe event.

Other suggestions received:

- 12.8 *Recently it's been suggested that not having a particular name/ identity like other parts of Brighton such as: North Laine, Kemp Town, Hanover etc, does not help the Preston street and Western Rd area, nor does it attract people here. It has been discovered that this area was once*

¹³³ Red Bed Company, 27/2/2012

¹³⁴ FSB, 27/2/2012

¹³⁵ Metamorphosis, 6/3/2012

¹³⁶ Tesco, private meeting

¹³⁷ Willow, 27/2/2012

called **West Laine**. North Laine was renamed North Laine when it became a conservation area. The proposal is to revert this area back to its original name "West Laine"

Summary

- 12.9 The council should investigate and consult with retailers in various areas of the city on what benefits retail quarters could bring. How would these areas have differentiating character from one another? Could colour coded street lamp banners be used to identify them?
- 12.10 After all the evidence heard the panel decided to recommend the following:

Recommendation 13

The benefits of retail quarters should be investigated further as a means for promoting different areas of the city and providing them with additional support.

13. On-line Retail

- 13.1 The nature of retail is changing with more and more transactions taking place on-line. The panel were given evidence showing that to flourish retailers needed to embrace and integrate this with their businesses.
- 13.2 Anecdotal evidence suggested that some smaller retailers had moved away from having a physical presence and purely existed on-line. Whilst reducing costs, witnesses felt there was an opportunity to harness both.¹³⁸
- 13.3 TN Lawrence and Son confirmed that the internet had rapidly changed his arts supplies business, as on-line transactions were now exceeding shop sales.¹³⁹
- 13.4 Tesco's also agreed that independents should have an on-line presence due to the increase in internet shopping. On-line companies such as iTunes and Amazon have had a big impact on the high street by successfully competing against high street stores like HMV and Borders (by bringing them into administration).
- 13.5 The Chief Executive of the Business Forum believed that consumers now could have better or equal product knowledge as sales staff due to sourcing information on the internet. The only way retailers could tackle this was by investing in staff. It was felt that small independents tended to be thrifty in investing in both IT and staff.
- 13.6 The view was prevalent that independents need to improve their internet presence to complement their premises. 14% of all purchases were now on-line which will increase annually. The "clicks and mortar" business model¹⁴⁰ was of significant importance as on-line sales could compensate for declining city centre footfall. Thoughts were that the combination of the internet and home delivery could transform bricks and mortar shops (premises or store) turning these into showrooms with minimal stock holding on site.
- 13.7 Further evidence was that independents should embrace e-commerce opportunities and develop smartphone apps to promote their products. The panel wondered whether Wired Sussex and/or the Chamber of Commerce could train businesses to understand the advantages of such potential sales revenue and to execute this.¹⁴¹

¹³⁸ BID Manager, 27/2/2012

¹³⁹ TN Lawrence & Son Ltd., 6/3/2012

¹⁴⁰ "...a company integrates both offline (bricks) and on-line (clicks) presences". Customers can order on-line or in store and get it delivered to the store or to their home. There varying combinations to this. http://en.wikipedia.org/wiki/Bricks_and_clicks

¹⁴¹ CE, Business Forum - Agenda 6/3/2012 & Graves Jenkins, private meeting

- 13.8 Tesco said that their “click & collect” scheme (which customers used to collect their on-line goods in-store) was still preferred by some shoppers.
- 13.9 The Director of Metamorphosis was adamant that independent retailers required an on-line presence, but that they often lacked the capacity and expertise to develop this alongside their existing shop(s). Support for this should be offered either through trade associations, the BID or by the council.¹⁴²
- 13.10 It was suggested that retailers could pool together funding to develop an area based on-line presence, advertise offers and market loyalty schemes.¹⁴³ These could be linked into existing sites such as VisitBrighton. However this would limit individual brand development.
- 13.11 Retailers also needed to engage with Twitter and Facebook to utilise the potential of social media. There were many good examples of viral media campaigns being utilised to sell specific products or brands.
- 13.12 A report from the Work Foundation¹⁴⁴ has suggested that retail (after hospitality) has second highest under-utilisation of skills in any sector. Figures from the report are that 45% of sales staff are reported to be over skilled and 57% are over qualified. This has a profound effect on innovation in the sector. Utilising these untapped skills could make retailers more competitive, productive and secure.
- 13.13 The panel wondered whether retailers could commission university students to design a webpage for a more competitive fee?

Summary

- 13.14 There was plenty of evidence that independents needed an on-line presence to have a more competitive edge on the high street. Once again the issue of capacity to undertake this support could not be resolved by the panel, but should be considered in the round as discussions on wider support to the retailer sector were considered.
- 13.15 A suggestion was made that the council could best offer tutorials to independents who wanted an on-line presence.¹⁴⁵
- 13.16 After all the evidence heard the panel decided to recommend the following:

Recommendation 14

¹⁴² Metamorphosis, 6/3/2012

¹⁴³ FSB, 27/2/2012

¹⁴⁴

http://www.theworkfoundation.com/DownloadPublication/Report/307_Skills%20Dilemma.pdf

page 17

¹⁴⁵ Tesco, private meeting

The need for an on-line presence for independent retailers is clear; support is needed to ensure that the capacity to develop this exists.

14. “Chuggers”

- 14.1 The Argus on the 24 May, 2012 reported that businesses were complaining that groups of charity fundraisers with their clipboards (known as charity muggers - “chuggers”) were deterring customers. The panel had finished their evidence gathering sessions however the Chair of the panel felt that this information should be reported.
- 14.2 The article referred to traders saying that chuggers were hanging around outside stores and blocking shop entrances. In one case a trader blamed that its stores worst day of trading for 17 years was due to chuggers hanging around outside the store.
- 14.3 At present there was no legislation that could prohibit charities from fundraising on the high street. The BID Manager was consulting with Public Fundraising Regulatory Association (PFRA) to see what agreements could be put in place to reduce the negative impact chuggers have on businesses.
- 14.4 Traders were asked to give their views. Any plans agreed would have a six monthly review period. The PFRA could put sanctions on charities that do not adhere to the proposals.
- 14.5 There was no evidence heard from the panel’s evidence gathering sessions about this issue and therefore this was not a recommendation. It was still apparent though that retailers needed support on how to take this issue forward. Was the council or/and the Chamber of Commerce were best placed to represent traders who fall outside the BID to help them deal with such issues?

15. Conclusion

- 15.1 This scrutiny panel was instigated to progress the outstanding issues raised at the Streets Ahead event in 2011. It has sought to listen to the views and retailers and suggest positive solutions to the issues they have raised.
- 15.2 Brighton and Hove has a unique retail offer, which despite genuine challenges has proved very resilient to the recent economic turbulence. Many of the issues facing the retail sector in the city are being faced by retailers across the country; competition from multiples, changing shopping habits and the growth of on-line retail.
- 15.3 Of all the issues raised by retailers the cost of parking was the most emotive and also one of the areas where the council has considerable control over. Genuine concerns that shoppers would go elsewhere, were repeatedly raised.
- 15.4 Retailers requested more responsive and flexible parking arrangements and asked for consideration to be given to a park and ride. I
- 15.5 Retailers also repeatedly raised the need for greater flexibility with rents and short-term leases. Rent reviews were problematic for most independents. Empty shop premises were not good for trade or tourism and the consideration of “pop ups.
- 15.6 At the heart of many of the issues explored in this report is an unresolved debate as to how far the council should seek to directly support different business sectors. Many of the challenges identified by retailers require some form of support and/or coordination which will involve resourcing. Support requested was for handling rent reviews, having an on-line presence, to trading standards. This support needs to be sustainable and it is essential that a clear message is given to retailers as to where they can seek this relevant support from, whether it be from the Chamber of Commerce, BID, the Council, Trading Associations or even multiples.
- 15.7 Further issues raised were improvements to the Station Gateway, encouraging multiples to support independents, changing the use of premises, fairer representation of retailers on the city’s marketing website, the promotion of other retail quarters and the limited regulatory controls for street markets.
- 15.8 A number of the panel’s recommendations relate to issues already being taken forward through substantial pieces of work, for example the Station Gateway Project and the extension of Churchill Square shopping centre, all within the City Plan. Evidence heard by the panel should be submitted to these relevant city projects.

- 15.9 The panel agreed 14 recommendations to address the issues raised by retailers and retail experts.
- 15.10 Finally the panel would like to thank all the witnesses, retail experts, council officers and partners for their time into this scrutiny.